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A REPORT ON THE PRINCE GEORGE TIMBER SUPPLY AREA PUBLIC INQUIRY

For

MINISTRY OF FORESTS AND LANDS
Victoria, B.C.

By

WOODLAND RESOURCE SERVICES LTD.
Vancouver, B.C.
B117.3.96

February 18, 1987

WOODLAND RESOURCE SERVICES LTD.
FOREST RESOURCE AND ENGINEERING CONSULTANTS

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February 18, 1987

B1470.99 OUR FILE NO.

Assistant Deputy Minister
Ministry of Forests and Lands
4000 Seymour Place
Victoria, B.C.
V8V 1X4

ATTENTION: MR. W. C. CHESTON

Dear Sir:

RE: PRINCE GEORGE T.S.A. PUBLIC INQUIRY

Acting on your instructions, I have conducted a public inquiry into the complexities developing around managing the Prince George T.S.A., and especially with the reluctance of licensees to approve the planning process.

Attached are my findings, complete with recommendations that I submit as reasonable and logical.

Attached also is one full set of all submissions, one set of the inquiry transcripts, and various reports submitted by the B.C. Forest Service as back-up material for this report. All maps have now been returned to the Prince George Regional Office and are being retained intact in event of future requirement.

My appreciation has been expressed to those licensees who participated so thoroughly in their submission and so honestly when questioned, and special thanks to the staff of the B.C. Forest Service regional office whose help was invaluable, and whose Christmas rest I greatly infringed upon.

I also appreciated the efficiency of Don Twine in making the arrangements for the inquiry.

Yours very truly,

WOODLAND RESOURCE SERVICES LTD.

W. D. Ewing
W. D. Ewing
President

WDE/ret

Encl.

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PRINCE GEORGE TIMBER SUPPLY AREA
PUBLIC INQUIRY

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- 1.2 Day 2, Volume 2
- 1.3 Day 3, Volume 3
- 1.4 Day 4, Volume 4

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- 2.1 Ministry of Forests and Lands
  - 2.1.1 Former Regional Manager - M. Wilkins
  - 2.1.2 Regional Planning Officer - H. Willis
- 2.2 Prince George T.S.A. Committee - B. Stowell
- 2.3 Central Interior Logging Association (for contact loggers/small business) - F. Drougal
- 2.4 Rustad Bros. & Co. - D. Alexander
- 2.5 The Pas Lumber Company Ltd. - B. Stowell
- 2.6 Balfour Forest Products Inc. - J. Deere
- 2.7 Prince George Wood Preserving Ltd. - B. Blaney
- 2.8 Stuart Lake Lumber Co. Ltd. - W. Drury
- 2.9 Canadian Forest Products, Takla Division - R. Aro
- 2.10 Dunkley Lumber Ltd. - B. Mayes
- 2.11 Westar Timber Ltd. - D. Curtis
- 2.12 Lakeland Mills (1973) Ltd. - G. Killy
- 2.13 Apollo Forest Products Ltd. - L. Huffman
- 2.14 L & M Lumber Ltd. - N. Avison
- 2.15 Northwood Pulp & Timber Limited - D. Little

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- 2.16 Carrier Lumber Ltd. - B. Lapointe
- 2.17 West Fraser Mills - A. Dupilka
- 2.18 Enso/West Fraser Mills - T. Turner
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- 2.24 Carrier Sekani Tribal Council - E. John
- 2.25 Meeting with B.C. Rail - G. Ritchie
- 2.26 Boundary Changes in the Past
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4.0 OPERABILITY OVERVIEW OF SUPPLY BLOCKS E, G, AND H - FEBRUARY 1984

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11.0 ESTIMATING TIMBER AVAILABILITY USING MULTI-RESOURCE CUT/LEAVE RATIONS - NOVEMBER 1983

12.0 TIMBER SUPPLY AREA PLANNING - JUNE 1984

13.0 PRINCE GEORGE T.S.A. OPTIONS REPORT - MARCH 1986

14.0 PRINCE GEORGE T.S.A. DATA PACKAGE - 1984

1.0 INTRODUCTION

Acting on the recommendaions of the Royal Commission, the Ministry of Forests and Lands abandoned the Public Working Circle and the Public Sustained Yield Unit in favour of the Timber Supply Area concept. Within the former regulated units, the land base tenure had been all but superceded by the volume based tenure, the Timber Sale harvesting Licence, which gave licensees the opportunity to harvest a definite volume annually any where within the unit. to avoid conflict, however, licensees were encouraged by the Forest Service to agree on operating areas and areas of interest.

In adopting the T.S.A. planning philosophy, the Ministry of Forests and Lands continued to foster the volume based tenure by introducing the Forest Licence as an improvement to the T.S.H.L. Moreover it continued to foster areas of interest for established licensees.

For nearly two decades these same areas of interest have remained more or less inviolate throughout the Province, but the time is fast approaching when readily accessible timber will no longer be available to all traditional licensees. This phenomenon has been hastened in the Prince George T.S.A. primarily because of the large concentration of licensees, the volumes harvested annually, and the natural disasters which have forced increased harvesting in the southeast prime area of the unit.

For several years, the Ministry of Forests and Lands has been endeavoring to complete and implement a plan of apportionment for the Prince George T.S.A., with the acceptance and approval of the Licensees. Although the planning process has surmounted numerous obstacles, the positions adopted by some operators have negated all attempts to attain an equitable solution. In fact the planning process has reached a stalemate with a few long established licensees prepared to fight for the survival of their companies. This reaction serves to emphasize that the problems associated with managing the harvest of timber in the Prince George T.S.A. are both legion and intricate.

In a final attempt to resolve some of the conflicts, and thus deadlocks to the planning process, the Ministry of Forests and Lands elected for an independent commissioner to hold an in-camera inquiry relating to the Prince George T.S.A. (see Appendix I), with all quota holders free to participate in the exercise, and free to question the submittees.

The inquiry (see Appendix II) was conducted without incident, though spirited discussions were numerous. Apparently it was the first time that licensees had the opportunity to express their views of the planning process in a public forum with all participants present (see Appendix III). Above all else, the issues in contest were freely discussed, and many excellent recommendations were put forward from which to develop logical solutions. There was no feeling of animosity. Hopefully the participants will continue to work together with the aggressiveness that is so characteristic of the North Country.

While all the issues and problems submitted by the individual Licensees were considered unique to them, a number of common themes were submitted by most companies. These themes are further addressed in this report. The lesser issues are, nonetheless, important to individual companies, and should be addressed by the B.C.F.S. over the short term, primarily to maintain harmony within the industry.

The one major issue of the B.C. Rail line extension north of Fort St. James is indeed complex and requires further analysis. In the final analysis it appears that the availability of the forest resources north of Fort St. James rests with Government.

2.0 EXECUTIVE SUMMARY

This Commissioner has investigated the planning process as initiated for the Prince George T.S.A.; has heard the problems associated with achieving general agreement on the process, has empathy with the growing frustration of the Prince George B.C.F.S. Regional Office and the majority of traditional licensees; has identified the major issues that must be addressed, and arrived at various conclusions.

In summary some changes in apportionment status, in management philosophy, and in alleged ministerial directions must become evident before Industry in this region will develop a positive attitude of trust and co-operation.

To be fully understood, the recommendations submitted for each problem identified essentially remain in the body of this report. They are only summarized here. On the other hand, the basic obstacles that underlie the failure of the planning process are brought forward here for the attention of the executive and hopefully, action.

2.1 Prince George Region

The Prince George T.S.A. is very large in size and has been unwieldy to administer. The T.S.A. should remain as one unit, but greater autonomy of operation should be allocated to each district, thus allowing District managers to develop programs specific to the management requirements of the area.

See Section 3.1, Page 10 for details.

The Prince George (East) district of the Prince George T.S.A. cannot support the volume now being harvested, and the cut must therefore be reduced. Three options exist:

- Move some cut into the Fort St. James district.
- Reduce all licensees' cuts in the Prince George (East) District by 12% at some time in the future.
- Initiate a massive intensive reforestation program.

It is recognized that all three options may be necessary to a degree.

See Section 3.1, Page 10 for details.

2.2 T.S.A. Planning Philosophy

The Forest Industry must be made aware that their traditional rights in the forest community will be respected. The perceived new theme of "equitable" treatment (as applied to Carrier Lumber) for all licensees in the area must be abandoned. Licensees have expended money to purchase quota positions, have developed infrastructure, built plants, tended their forests and have earned a place in their community. To have this position eroded through equal sharing by new operators and poor long term planners can not be accepted by the Industry, the community, and the Government of the Province.

The Ministry of Forests and Lands should now provide the Industry with the opportunity for total operating management of the forest resource, and should confine its activity to an advisory and auditing role.

See Section 3.2.1.3, Page 23 for details.

Through the T.S.A. planning process, licensees have lost their exclusive right to the traditional land based security of tenure. The Prince George T.S.A. may be the first area to recognize this threat, but it will soon become obvious in other areas in the province. In order to stabilize the base of the economy of B.C., the licensees' traditional interest areas must be recognized. This can be accomplished by either of two methods.

- Using Forest Licences as tenure and developing an honour system whereby the Ministry of Forests and Lands will not allow infringing upon the traditional long term wood supply of a licensee without his prior consent, or

- Allowing all traditional licensees to enter into Tree Farm Licences for a core volume of supply.

See Section 3.2.2, Page 24 for details.

2.3 Carrier Lumber Ltd.

The Carrier Lumber situation should not be allowed to continue. This Company is exerting pressure in Victoria and legal threats to obtain a favoured position in the forestry community. The Company has added greatly to the conflicts within the region over the past years by forcing traditional licensees to "make room" by abandoning traditional rights. The Carrier recommendations are detailed in full on Section 3.3.4, Page 36.

2.4 Inventory of Prince George T.S.A.

The forest inventory of the Prince George T.S.A. requires updating and reconfirmation. If through a small cruise sample it is found to be grossly in error, a new inventory is mandatory and can be accomplished through joint sponsorship of Government and Industry.

See Section 3.4.3, Page 39 for details.

2.5 B.C. Rail Ltd. Extension North of Fort. St. James

The B.C. Rail line north of Fort St. James is a major contributor to the future socio-economic stability of Prince George. Within the next 5 to 10 years an estimated 15 to 20% of the Prince George industrial requirements will be supplied from the Fort St. James district. The alternatives of carrying out the disposition of this timber are beyond the time allotment of this commission. Recommendations for necessary actions are listed on Section 3.5.3, Page 43 of this report.

2.6 Small Business Enterprise Programs (S.B.E.P.)

The Small Business Enterprise Program is an important aspect of the free enterprise system. In the planning process, the S.B.E.P. operators should continue to be represented by the Ministry of Forests. The report prepared by Industrial Forest Services Ltd. in 1984 developed some realistic recommendations. Those which have not been implemented should be reviewed for implementation.

See Section 3.6.4, Page 48 for details.

2.7 Prince George T.S.A. Boundaries

The boundaries of this T.S.A. should be altered somewhat in order to:

- include wood formerly removed and now included in the McBride T.S.A.

- delete quota from the Prince George T.S.A. held mainly by Quesnel operators.

- Include quota from the Quesnel T.S.A. held mainly by Prince George operators.

The long term sustainable yield from the forest and the harvest A.A.C. is in balance. The Prince George T.S.A. allowable cut should then remain at its present level, especially when considering intensive silvicultural input.

See Section 3.7.3, Page 52 for details.

2.8 Prince George T.S.A. Plan #1

The T.S.A. Plan #1 presented to the licensees in December, 1986 should be implemented immediately, but the plan in total will remain without concensus until some issues are resolved to the satisfaction of the licencees. Most are now willing to sign the first draft if the Ministry is amenable to resolving outstanding problems. Carrier Lumber should not be allowed to cause the failure of the planning program in the Prince George T.S.A.

See Section 3.8.3, Page 55 for details.

2.9 Native Land Claims

The land claims of the B.C. Indians will not be addressed in this inquiry.

2.10 Funding for the New Forest

The total funding for forestry work in B.C. is approximately:

Basic Forestry (B.C. Government)	135 million/year
F.R.D.A. (fiscal year 1987/1988)	78 million/year
TOTAL	213 million/year

This figure does not include over $300 million that will be returned to the Province from the export tax collected by Ottawa for softwood lumber sales to the U.S.A.

Of the total provincial funding, the Prince George T.S.A. receives 8% of the funds, while constituting approximately 13% of the Provincial forest area. Considering the major reforestation program required in the Prince George (East) District, more funding is necessary to address backlog forest rehabilitation.

See Section 3.10.3, Page 60 for details.

2.11 Ministry of Forests and Lands and B.C.F.S. as Perceived by Industry

The Ministry of Forests and Lands and B.C.F.S. personnel have long borne the cross silently for Government's prerogative to intervene in the management of Crown forests for the purpose of satisfying businesses and/or individuals who approach Government for personal motives.

The alleged success of some licensees to obtain material benefits through appeal to politicians and/or senior Ministry officials, in many cases in conflict with the professional judgement of the Ministry's operating Forest Service, has in the past 20 years caused considerable bitterness and distrust between the Ministry and the Forest Industry. Many shifting objectives and changing guidelines are perceived by Industry as attempts by the Forest Service to cover ministerial allocations of timber and directives on forest policy.

For the long term viability of forestry in B.C., the management of the forest must be vested with the professionals.

The Ministry of Forests and Lands must develop comprehensive strategies and guidelines by which to manage the forest resource - a major objective in this planning to be the short and long term strategies for prevention, detection and suppression of major fires and insect epidemics.

Our B.C. Government through the Ministry of Forests and Lands must recognize that "it can not be all things to all people" and that some businesses will fail, but in our democratic free enterprise system the strong will survive.

The Ministry of Forests and Lands and the B.C.F.S. professional foresters must become more communicative and must develop a spirit of co-operation and trust with industrial professionals. The objectives of both are common and much more will be accomplished when both groups work together to manage the forest resource.

See Section 3.11, Page 61 for details.

2.12 Industry as Perceived by the B.C.F.S. and Ministry of Forests and Lands

Industry is equally to blame for the conflict and deadlock that has developed in the planning exercise, the B.C. Rail restoration, the harvest levels at present and in the future, and the aggression that prevails.

It is Industry's responsibility to make the necessary changes to create a climate for co-operation and trust in the management of our forest resource.

See Section 3.12, Page 73 for details.

3.0 ISSUES TO BE ADDRESSED

3.1. Prince George Region

This is the largest of six regions in the province, containing 38% of the total provincial forest.

3.1.1 Prince George T.S.A.

This is the largest T.S.A. in the province (see Appendix IV), containing 12.6% of the total provincial forest. The harvest in the Prince George T.S.A. is 8,900,000 m^3/year, which constitutes 56.6% of the A.A.C. of the region, and 7.1% of the A.A.C. of the province.

The Prince George T.S.A. has more annual harvest than the entire province of New Brunswick.

The Prince George T.S.A. resulted from the amalgamation of 17 P.S.Y.U.'s into one single wood supply area servicing the city of Prince George and the communities of Vanderhoof, Fort St. James, Hixon, Fraser Lake, Fort Fraser, Strathnaver, Giscome, Upper Fraser and Bear Lake. The forest industry in this T.S.A. is comprised of 27 major sawmills, numerous smaller sawmills, one plywood plant, and three pulpmills. The economy of the people living within this T.S.A. is dependent upon the forest industry.

3.1.2 Philosophy

The main reason for combining this large area into one T.S.A. was to provide flexibility to government and Industry in case of need: a need which was already transpiring because of a massive blowdown in 1976 and a Spruce Bark Beetle epidemic in 1980. These natural disasters threatened the wood supply of Prince George. During the past ten years, this need has caused a considerable relocation of Industry to control these catastrophies, and such a harvesting shift must again take place to control over-cutting in certain areas of the T.S.A.. This flexibility of operations has been recognized by all licensees as being advantageous in time of need.

There is now a concern expressed by some licensees and by members of the B.C.F.S., that the T.S.A. is too large and because of the diverse conditions in each district the whole area can not be properly managed under one T.S.A. mandate. The licensees most strenuously objecting to a single T.S.A. are those located in the Vanderhoof district, since they can presently see no advantage to them of being subject to absentee management. Also there is no present method available in transporting wood from the Fort St. James district (Takla/Sustut), especially wood which must be moved by rail. This strategy of splitting the T.S.A. may be shortsighted as the area is dominated by lodgepole pine (80%); especially since the Mountain Pine Beetle is still very active in the areas surrounding the Vanderhoof district.

In order to understand the interactions inherent in this T.S.A., it becomes essential to analyze the districts in their relationship to the total Prince George T.S.A.

3.1.3 Statistics - Prince George T.S.A.

• Present harvest levels	8,900,000 m^3/year
1988 - 1996 (10 years)	8,870,000 m^3/year
1996 - 2106 (110 years)	8,720,000 m^3/year
Long term (200 years)	7,830,000 m^3/year

This does not include any potential increase to the rate of harvest through the practice of intensive silviculture. It is considered that a minimum 20% lift in annual cut is available through the higher level of forest management.

The reductions of 150,000 m^3 to Prince George Wood Preserving in 1996 and 30,000 m^3 to Woodland in 1988 will assure maintenance of the T.S.A. Allowable Annual Cut at 8,720,000 m^3/year for the next 110 years.

Although the planning section of the Regional office of the B.C.F.S. has indicated that this reduction in cut must be undertaken on gradually decreasing schedules after expiry of the current licences, it is hard to perceive how Government will permit these mills to close on such forward projections. Transfer of these companies' cutting rights to the north is a more practical solution.

It is stated by the planners that variables in the system could cause variance of between ± 10% and ± 30%, and that a 20 year old forest inventory could also increase the error of estimate of the true volume of wood available for harvest over the long term. It is also recognized that all districts of the Prince George T.S.A. will vary in their contribution to the allowable annual cut over the short and long term. It is accepted that need will dictate harvest levels in each district. However for planning purposes the levels of harvest in the districts of the T.S.A. are programmed as follows.

3.1.3.1 Prince George (East)

This district is badly overcut due to a beetle infestation and thus a concentration of harvesting over the past 10 years.

1985 - 1990 harvest level	3,330,000 m^3/year
1991 - 2006 harvest level	2,550,000 m^3/year
2007 - 2036 harvest level	2,390,000 m^3/year
2036 onward harvest level	1,750,000 m^3/year

The harvest level from this district must be reduced on a declining scale as over-mature timber is removed and immature timber has not yet reached culmination age.

Opportunities for improvement to A.A.C.

- return all leading balsam stands to the annual harvest immediately, on the basis that licensees must harvest the problem balsam type. Industry must then harvest the Forest Profile.
- conduct a mega silvicultural program in the Prince George (East) district.
- reduce the harvest level to a sustainable volume within the next 5 to 10 years.

3.1.3.2 Prince George (West)

The harvest in this district is roughly on balance with growth potential, providing no natural disasters occur.

1985 - 1988 harvest level	2,480,000 m^3/year
1989 - 1996 harvest level	2,450,000 m^3/year
1997 - 2076 harvest level	2,650,000 m^3/year
2076 onward harvest level	2,200,000 m^3/year

This cut assumes no major intensive silvicultural program.

- The change in harvest level over the next 100 years is so minimal that, for all practical purposes, it can be quoted as being on balance. Opportunities will exist within this time frame to increase the harvest level. Notwithstanding, it is not recommended that licensees short of supply in the Prince George (East) be parachuted into Prince George (West), thus upsetting the present balance of cut in the latter.

3.1.3.3 Vanderhoof

The harvest in this district is roughly in balance with growth potential, providing no natural disasters occur.

1985 - 1990 harvest level	1,420,000 m^3/year
1991 - 2126 harvest level	1,430,000 m^3/year
2127 onward harvest level	1,310,000 m^3/year

The change in harvest over the next 150 years and onward will be negligible, and opportunities will exist to provide increases to the long range sustainable yield from the forest. This District is unique in that 80% of the harvest is concentrated in lodgepole pine, thus specialized mill design is imperative. It is not recommended that licensees short of supply in Prince George (East) be parachuted into Vanderhoof, thus upsetting the balance of cut.

3.1.3.4 Fort St. James

This district is grossly undercut relative to growth. It offers an opportunity for greater harvesting through licensee transfer from Prince George (East).

1985 - 1990 harvest level	1,670,000 m^3/year
1991 - 2036 harvest level	2,450,000 m^3/year
2037 - 2136 harvest level	3,340,000 m^3/year
2137 harvest level	2,570,000 m^3/year

The reason for the low cut at present in the Fort St. James district is the perceived economic inaccessibility of the wood. The harvest level in this area could be maintained at 3,340,000 m^3/year; an increase of 1,670,000 m^3/year over the present rate of cutting.

Note that the B.C.F.S. plans a relocation of annual harvest totalling 1,000,000 m^3 from the Prince George (East) district to the Fort St. James district by 1991; however there still remains an uncommitted cut in this area of 670,000 m^3/year.

3.1.4 Conclusions

- Due to the overall cost of wood from this Northwest area and market value of the product, it is obvious that this wood may not be considered as a major supply source for the Prince George mills. Providing that this source constitutes an incremental supply only, the economics of total wood extraction can remain in balance if the price of the products on the market remain at today's level.

- Only two districts, Prince George (West) and Vanderhoof, could form independent T.S.A.'s.

    - Both maintain a balanced demand/supply ratio for the foreseeable future.

    - Vanderhoof alone neither receives from, nor provides major volumes of wood to, the other districts.

- Vanderhoof alone has a distinct timber type that demarks it from the other districts and requires specialized mills to convert the product.

- Vanderhoof, however, has contributed substantially to the increase in harvest within the T.S.A. by accepting an increased utilization standard in lodgepole pine (17.5 cm D.S.H.).

- Vanderhoof can gain little advantage from timber harvested in the Takla/Sustut Supply Blocks that must be transported by rail. Its mills can receive only limited benefit from Supply Block C around Fort St. James.

- The southwestern portion of the Vanderhoof district could easily become the next area ravaged by the Mountain Pine Bark Beetle.

- Vanderhoof can lessen the problem of the other licensees in the T.S.A. by sharing in the higher wood cost associated with the movement into the Takla.

- In an effort to relieve the pressure on size alone and because the Vanderhoof District is a contiguous unit, then consideration can be given to making this district into an independent T.S.A., with Vanderhoof as the centre.

- The Prince George (East), Prince George (West) and Fort St. James districts are so interdependent in wood supply, in wood type, and in mill design that they must logically remain as one T.S.A.

- Should a rail line not be reopened to service the Takla/Sustut area, then consideration could be given to removing that portion of the Fort St. James district (supply blocks A and B) beyond the limit of economic truck hauling distance to Prince George.

3.1.5 Recommendations

It is recommended that for the present the Prince George T.S.A. be retained as one unit, and that each district be provided more autonomy in developing local programs that best suit specific conditions in each area. It is the responsibility of the Ministry of Forests to develop reasonable policy that will foster independent decentralized management by the Districts.

3.0 ISSUES TO BE ADDRESSED

3.2 T.S.A. Planning Philosophy

The allowable annual cut from the Prince George T.S.A. is projected to be 8,700,000 m^3/year for the next 110 years, providing:

- 300,000 m^3/year of this cut is provided from low quality stands (problem types).
- no major natural disasters occur that are not salvable.
- no extra dollars than those programmed are invested in forest renewal and intensive silviculture.
- the standards of utilization practiced by industry will not include those problem type forests (opportunity wood) that have been deleted from the A.A.C. (300,000 m^3/year).
- The Prince George Wood Preserving sale and the Woodland Timber sales are cancelled at the completion of their term.
- A harvest rate of 1,000,000 m^3 will be removed from the Prince George (East) district in 1990 and placed in the Fort St. James district (Takla/Sustut).

The T.S.A. concept allows the harvest levels by individual licensees anywhere within the T.S.A. boundaries subject to the Regional Manager's discretion, without regard for districts or traditional cutting areas of licensees (other than moral obligation). By this definition, licensees that are wood deficient, or new licences awarded by the Ministry, and the small business enterprise program may be parachuted into the traditional areas of long term licensees. As a result:

- Licensees will not practice intensive silviculture as they may not have the advantage of utilizing traditional areas over the long term.

- Licensees will not harvest their traditional areas to their own long term benefit, but will concentrate immediately on the cheapest and best quality wood supply available, thus creating a long term imbalance of supply.

- Licensees will abandon high cost wood, problem type wood, and wood on the periphery of their traditional areas since their confirmed supply is reviewed and renewed each five years.

- Licensees will become most reluctant to invest additional capital into new mills and into upgrading existing mills to ensure an economic conversion of any wood supply beyond their current 5 year commitment.

- Licensees will attempt to find an alternate tenure system that provides stability for their major investments in mills and road systems (e.g. T.F.L.)

While the concept of a larger supply base from which to extract a product has obvious advantages where shortages may occur in one area and natural disasters in another, there are obvious pitfalls which perhaps were not considered when the T.S.A. program was established. It should be recognized that other T.S.A.'s in the province have been, and will in the future be affected by fire, wind and insects resulting in major dislocation of quotas exercised in specific areas. The current situation in Prince George will be repeated many times in the future. The B.C.F.S. and the Ministry's policy to utilize all the available wood supply in the Province has now resulted in a disincentive for practicing sound long term forest management and promotes the short term harvest of only the best timber. This trend can be reversed by:

3.2.1 A Change in the Responsibility and Authority Format for Management of the Forest

3.2.1.1 Background

Government should be results-oriented and not methods-oriented.

There has been much discussion during this inquiry regarding the role of the B.C.F.S. in the long term management of the forest resource. The basic philosophies that successful business has always adopted are:

- It is the role of government to provide the opportunity for investors to plan, construct, operate and manage enterprises to the best interest of the investors.

- It is the role of government to administer and monitor Crown resources to provide present and future revenue to the resource owner and to maintain the stability of the resource for future generations.

Based on these generalizations, the Ministry of Forests and Lands should then pass on the operational management of the forest to the forest industry and should concentrate its activity where best able to serve the forest community. The professionals in Industry have the competence to plan and execute major forestry programs (harvesting and silviculture) without involvement of the B.C.F.S.; and have a professional responsibility to assure that all programs are conducted in accordance with a pre-approved plan. The results achieved will be evaluated on a periodic basis by the professionals of the B.C.F.S.

It has been suggested that the sharing of responsibilities could be divided into these relationships:

- INDUSTRY RESPONSIBILITY
    - Ground inventory
    - Engineering
    - Preharvest assessments
    - Development of management and working plans
    - Soliciting approval of other regulatory agencies
    - Harvesting
    - Planting
    - Tending of seedlings to a free growing state
    - All inspections to assure compliance with regulations and the forest act, and with approved plans.
    - Forest management in general.
- MINISTRY RESPONSIBILITY
    - Approve management and working plans
    - Approve chart areas
    - Approve 5 year development plans and 20 year T.S.A. plan
    - Issue cutting permits
    - Approve silvicultural programs

- Issue addenda for site preparation
- Issue prescribed burning permits
- Approve Section 88 proposals
- Assume full responsibility for insect detection and control programs
- Assume full responsibility for wildfire detection and control
- Assume full responsibility for recreation management
- Assume full responsibility for range management
- Assume full responsibility for maximizing funding available for forest renewal through basic Ministry of Forests and Lands programs, Section 88 programs and F.R.D.A. opportunities
- Assume full responsibility for development of and regular updating of a comprehensive forest inventory of the province
- Assume full responsibility for the management of the small business enterprise program
- Audit the performance of licensees on a periodic basis for conformance with approved programs.

3.2.1.2 Conclusion

This program would eliminate double controls, supervision and auditing, and will allow all professionals to practice forest management in a positive manner. It could also allow effective utilization of B.C.F.S. personnel in other areas of priority.

In the event of a disagreement between professionals of the licensee and the licensor, a mutually acceptable independent third party could mediate the dispute. In some instances it may be found expedient to have independents carry out the ministerial audit function of Forest Industry programs in order to eliminate potential disagreement.

It is understood that acceptance of such a sharing of management responsibility is already well underway for tree farm licences and some forest licences through subsidiary agreements.

3.2.1.3 Recommendations

It is recommended that approval of this principle be enacted immediately for the entire British Columbia forest industry, and that the Ministry approach such a program with trust and co-operation.

3.2.2 Positive Tenure for Future Wood Supplies

3.2.2.1 Background

Since industry does not perceive that it has a long term area-based forest tenure in place to confirm the investment of capital, and to ensure the benefits from intensive forest management, it becomes necessary to alleviate these fears through positively oriented restructuring of the T.S.A. planning program. The perception of "equity of position" is not acceptable as some companies chose to locate in certain areas many years ago and to develop their infrastructure based on sound logic, good forestry and resource availability. Those new companies which have now developed mills or have enlarged mills in the T.S.A. can not expect to have equal rights to timber quality, species, size, harvesting costs and location of timber; but must accept their place on the periphery without disturbing the traditional operating areas of the original licensees. The wood supply must not be limited to a short term volume supply base, but must span the traditional longer term. After that time most companies harvesting in long term interest areas would be harvesting a second crop of trees which they were instrumental in growing.

Note from the files in 1982, government policy to all licensees:

> "Operating areas will not exceed 20 years. This is in no way meant to deter continued efforts between licensees in establishing mutually agreeable 'areas of interest'. These agreements do and will continue to constitute one of the primary considerations in assessing proposed 'areas of operation.'"

In 1982, the Prince George Regional Manager issued a directive to all licensees defining 'interest area, planning area and operating area.' It was then recognized that the interest area was an historic and essential element to industry's viability over the long term.

It appears, from previous correspondence, that the Ministry wished to recognize the traditional interest area concept on the one hand, but not to be bound by this concept on the basis of 'equitability' of position. This places the Ministry of Forests and Lands in an impossible and untenable position. It also does not provide the industry with assurance that their future wood supply is secure.

It is recognized that during the first phases of T.S.A. planning licensees outlined their traditional interest areas, and that the wood supply in these areas varied from 8 years to 135 years (see Appendix V). However during the next phases of planning, licensees, by request, reduced their interest areas (planning areas) down to 20 years on a first cut basis (see Appendix VI) by eliminating high costs areas, problem wood areas, and areas requiring alternate logging methods (a common case called "creaming the resource").

The B.C.F.S./Ministry of Forests and Lands can "not be all things to all people," can not protect some companies who would otherwise go out of business because of inefficiency or cost of wood supply, and can not continue to overcommit the resource of any given area beyond the land base carrying capacity. It is feared that this situation is occurring in the Prince George T.S.A. and the region can never become settled until the Industry perceives Government as being fair, firm and realistic.

It thus becomes a government responsibility to ensure the viability of the existing Industry and to provide all possible incentives that will encourage the future success of this Industry. When these objectives are guaranteed then Government can and should promote the establishment of new cost effective businesses.

3.2.2.2 Vehicles to Establish Security of Supply

Two of the present tenures, the Forest Licence and the Tree Farm Licence, can provide security of supply and satisfy the majority of licensees in the Prince George T.S.A.

3.2.2.2.1 Forest Licence

3.2.2.2.1.1 Background

The Forest Licence grants the licensee the right to cut timber within a prescribed area over a short term. When the supply is exhausted the licensee exercises his cutting rights in still another area within the Timber Supply Area. This tenure provides operators flexibility and ensures a log supplies to the level of their quota positions, but no equivalent to past cutting areas and certainly not equivalent to other licensees within the same regulated unit. Ancillary costs for roads and silviculture are funded under Section 88 of the Forest Act.

But the Fores Licence with a 20 year supply is not conducive to good forest management within a T.S.A. The B.C.F.S. therefore must not only recognize traditional interest areas of established licensees, but expand those areas to assure a minimum 50 year supply of logs for individual licensees. The program would be honored by the Government, the B.C.F.S. and the Industry as a whole. No licensee would transgress on another's interest area without referring a request to that licensee.

3.2.2.2.1.2 Opportunity

This concept of extending traditional interest areas to provide an assured supply could be accomplished under these guidelines.

- The traditional interest area concept be adopted as detailed in the analysis of the licensees' 1979 interest areas and provided by the Prince George Regional Ministry of Forests and Lands office on April 9, 1984 (file 700-6-2-24) with these exceptions:

    - Carrier Lumber to have its total supply increased. If no long term supply is available in its traditional area, then its operations must be moved into vacant planning cells nearby or possibly into the Fort St. James district.

    - All other companies with less than an adequate supply on all passes, to have their interest area boundaries extended, if wood exists within traditional interest areas. Otherwise they will be relocated into vacant planning cells.

    - Those licensees with greater than the required supply to relinquish the extra areas to needy licensees.

- Licensees be awarded their interest areas based on traditional use in the area, i.e. the longest tenure will have first opportunity at a guaranteed supply base.

- The volume of the assured supply in the traditional interest area be that quota position held by the traditional licensee in 1979. Any additions to this base volume will be considered only as a wood supply from other than traditional areas. This especially applies in the Prince George (East) district.

- Companies which have been issued a quota position in the Prince George (East) district since 1979 be the first companies required to move their quota positions into other areas where supply is available.

- Traditional licensees be granted the right to utilize the profile of the forest (including problem and opportunity wood) in their traditional area, thus maintaining their present harvest levels. This opportunity will carry with it the rider that if not utilized by the current operator, it could be put up for bid by the Ministry of Forests and Lands for independents (S.B.E.P.) who will utilize the wood. The result is a reduction in quota for the licensee on a non-recoverable basis providing the wood is utilized by new business ventures.

- The three licensees who have traditional operating rights in the Takla/Sustut area become engaged in ensuring that their wood supply (total volume 520,000 m^3/year) can again be transported from this area. It is not acceptable to rely on other agencies to ensure industries' viability.

3.2.2.2.1.3 Conclusions

This proposed land based concept is not a departure from recognized methods of establishing longevity and traditional rights, but is rather a return to a system which was functional and fair, a system recognized by most licensees as one which allowed them to maintain a satisfactory business environment. It is not envisioned that additional legislation be enacted to recognized interest areas, but rather that an honour agreement between all licensees and the Regional District offices of the B.C.F.S. be fostered. Such a move will provide the means by which the Ministry of Forests and Lands and Industry may again communicate in a positive and productive manner. There is some concern by the Ministry that this will introduce yet another form of tenure in an already complicated wood supply system. This is not perceived to be the case; however if not acceptable, then the alternate to a Forest Licence is the Tree Farm Licence.

3.2.2.2.2 Tree Farm Licences

3.2.2.2.2.1 Background

Since the beginning of the volume based tenure and the advent of the T.S.A. concept in 1979, there has been a gradually increasing number of requests by licensees for a secure forest land base upon which they can plan their long term operations. At this time the only form of this tenure available is the Tree Farm Licence. As T.F.L.'s are an acceptable form of tenure in the Province, this vehicle of forest management provides the security required by investors, and removes the necessity of the B.C.F.S. to supervise and monitor the planning, harvesting and silviculture within the licence area. Thus the T.F.L. meets all the requirements and objectives of the Ministry of Forests and Lands and of the Industry.

A T.F.L. places the onus on the licensee to perform and manage "his" land in the best interest of the long term forest potential. It also places great responsibility on him to ensure no disaster (insects, fire) occurs to his land based resource. The cost of protection and silviculture is carried by the licensee. A catastrophe could therefore result in the Company being without a wood supply for its conversion facilities.

The licensees in the Prince George T.S.A., have generally applied for T.F.L.'s based on 100% of their long term volume requirements as predicated by the quota they hold. Applications sometimes overlap with those of other licensees, and hence conflict along common boundaries. In most instances these conflicts are resolved between the licensees.

3.2.2.2.2.2 Opportunity

Since the Tree Farm Licence is the favourable form of tenure which should be encouraged whenever possible, it is essential to establish guidelines for the granting of such tenure in the Prince George T.S.A.

- All T.F.L. applications in the T.S.A. should be submitted for approval at one time, and all conflicts to be resolved prior to any one T.F.L. application being approved.

- The maximum volume of timber within the Prince George T.S.A. to be placed under the T.F.L. tenure to be set at 60% of the total allowable annual cut now held by the major traditional licensees (volume 7,184,690 m^3/year - see Appendix VII).

- The total volume of timber held by any one licensee within the Prince George T.S.A. to be a maximum of 60% of that company's quota position in the T.S.A. as of 1979.

- Those companies who will move their entire cut into the Takla/Sustut area to be allowed to commit 80% of their quota to a T.F.L. tenure.

- The agreed percentage to be rolled into a T.F.L. and the remainder into a Forest Licence.

- The forest management and silvicultural work requirement of the licensee in setting the terms of the T.F.L. to be established through negotiation between the Ministry of Forests and Lands and the licensees, using past and present T.F.L. awards as guidelines.

- All licensees to agree to the same terms for forest management under T.F.L. status. Offers of conducting additional silvicultural programs on the basis of gaining an increased percentage of quota in the T.F.L. tenure, not to be accepted.

- Existing T.F.L.'s in the Prince George T.S.A. are not to be considered in this formula, since these T.F.L.'s do not contribute to the A.A.C. of the T.S.A.

3.2.2.2.2.3 Conclusion

The T.F.L. provides security and longevity not afforded by the Forest Licence. It also carries major responsibilities not required by the Forest Licence. It is conceivable that when all the responsibility and accountability of the T.F.L. is communicated to the applicants that some may opt for the volume based tenure. Under no condition should a company be permitted to obtain a T.F.L. for its total wood volume requirements.

3.2.2.3 Recommendation

- It is in the interest of the Ministry of Forests and Lands to promote applications for T.F.L.'s, the only permanent, land based, sustained yield, forest management unit in this province. This relieves the Government of the responsibility for direct participation in the maximum long term growth potential for a given tract of land, and provides security to the licensee, security which will in turn quarantee future investment in the forest industry.

- That land not included in T.F.L. tenures should remain in Forest Licences under the suggested guidelines.

3.0 ISSUES TO BE ADDRESSED

3.3 Carrier Lumber Ltd.

3.3.1 Background

Carrier Lumber Ltd. has operated in the Prince George area since 1952 and the owner is an local independent businessman. The company is owned by the Kordyban family with company president William Kordyban Sr. directing the operation. The family interests are diverse and successful, and Mr. Kordyban may be described as a innovative and resourceful entrepreneur. His expertise in sawmill design is well known throughout the area, and his newest innovation of a portable mill to salvage beetle kill in the Anaheim area is to be lauded.

Carrier has a sawmill on the B.C. Rail industrial site, south of Prince George. Built in 1975, and continually upgraded since that time, it now consumes 700,000 m^3 of wood annually and produces 150,000 M fbm of lumber/year. The product is sold to world markets through Seaboard Lumber. The mill originally cut from a quota position of 205,000 m^3/year in the Prince George T.S.A. (Prince George East district). The remainder of the wood supply was purchased from the local market (70% of requirements).

As wood became more difficult to obtain, as other operators also expanded, as small business operators built mills that required wood, and as the Spruce Bark Beetle eliminated some potential supply areas, this operator began to fear for his long term future and attempted to play "catch-up". His philosophy, though, still remains that no operator should have an assured long range supply, but should exercise free enterprise through purchase of a wood supply from the open market.

- In 1982, Carrier purchased timber cutting rights from the Crown for 75,000 m^3/year (see Appendix VIII), which was subsequently merged with their original quota to provide a sustained timber position of 280,000 m^3 (see Appendix IX). Carrier's acquisition was purchased from the Crown for a bonus bid of $1.4 million. Circumstances would indicate that Carrier used influence on the Ministry to secure this additional quota in their traditional interest area.

- In 1982, Carrier purchased Far West Cedar Fencing Ltd., in McBride, B.C. to add another quota of 82,310 m^3/year. Because of the spruce beetle timber kill, the company was allowed to close down the plant at McBride temporarily, and to harvest this volume of wood from the beetle infestation for a five year term. This now provided Carrier Lumber a total of 362,310 m^3/year. On July 29, 1986 the Minister instructed the company to exercise this quota of 82,310 m^3 in cedar stands by 1988 and restart the mill in the McBride area (see Appendix IX). Carrier have recently applied to split this quota and retain one-half the volume for harvesting of in whitewoods in the Prince George (East) district.

- In 1979, Carrier signed an interest area agreement with all other licensees which relegated to the company a 17 year timber supply based on 205,000 m^3/year. As of December, 1985, Carrier has now been provided a 20 year timber supply based on 280,000 m^3/year in their original interest area.

3.3.2 Basic Issues

- Carrier has overbuilt its milling capacity as compared to its quota position.

- In the past, Carrier did not react soon enough to secure a greater timber position in its traditional cutting area.

- The large blowdown in 1976 and the following Spruce Bark Beetle attack in 1980 eliminated any potential timber surplus in the Prince George (East) area.

- Carrier logged the valley bottoms first in its traditional area, without concern for logging further up the hillside into smaller timber and balsam. This practice is common throughout the region.

- Now that there are few valley bottom areas available, and Carrier must log out its traditional area, the Company has a major problem with wood cost and wood quality. For this reason it will consistently demand its "equitability" with other licensees.

- Carrier objects to the continuation of overcutting caused by the Takla/Sustut licensees not returning to the north with their cut, while it applies its cedar quota in the whitewood stands.

- Carrier assures that it does not have sufficient wood volume equal in quality to its neighbours, that will meet its requirements for the next 20 years in the area provided. In essence, it claims that the forest inventory is grossly overstated and must be redone prior to any agreements being signed.

Unfortunately, all concerned are now in a "no compromise situation":

- Licencees have a 20 year wood supply in their traditional areas and none can move over to satisfy their neighbour.

- There are no available vacant cells in this portion of the Prince George (East) district.

- All licensees are working and planning on the same terms, and all have agreed that, while the forest inventory is inadequate and the T.S.A. Plan #1 has some obvious inequities to be resolved, it is a good base from which to start, and all but Carrier have agreed to sign agreement with the first 5 years of the plan (see Appendix X).

- The Takla area is presently inaccessible due mainly to the closure of the B.C. Rail line north of Fort St. James in 1983. Road access services only the southern portion of this supply block. In addition the high cost of transport to the Prince George mills makes this wood supply uneconomic unless used only as an incremental supply.

- By B.C.F.S. guidelines, the licensees of the Prince George T.S.A. are not cutting the profile of the forest (e.g. cedar, balsam, low-quality) and are thus forcing a falldown (300,000 m^3) to a lower level of sustained cut.

- In the past two years, Carrier has become vociferous and has continually upgraded their original position through lobbying in Victoria, much to the annoyance of the other licensees and the B.C.F.S. in the region.

3.3.3 Conclusion

It is the opinion of the Commissioner that much of the problem arising in the Prince George T.S.A. has been the result of Carrier Lumber's dispute with the other licensees and with the Regional B.C.F.S. office. This has led Carrier to Victoria where the Company has received concessions not accorded other licensees. It has also made the Regional Office of the Ministry appear to be changing guidelines and policy. So long as licensees are able to obtain considerations that are not consistent with policy and with good resource management, objective and sound management of B.C.'s forests will be continually tumultuous.

3.3.4 Recommendations

- . Carrier not be allowed to delay the planning process any longer, and be told to sign the Prince George T.S.A. Plan #1, as agreed by the Regional Manager (Prince George) and the then Deputy Minister of Forests (Mr. MacPherson) and as relayed to Carrier Lumber by the Regional Manager on January 8, 1986 (see Appendix X).

- Carrier utilize their cedar quota in the harvesting of priority spruce and balsam until 1988, then direct this quota to the cutting of cedar and re-open the mill in the McBride area (see Appendix XI). Failing Carrier's return to cutting cedar, the quota to be put out to tender for the harvest and manufacture of cedar in the McBride area, with the stipulation that its use be confined to the harvest of cedar only. This quota not to be reused in the Prince George (East) district for cutting whitewoods.

- Carrier to go to the Takla on a pro-rata share with all other licensees (see Appendix XII):

  - after the traditional licensees' cuts are returned to the Takla in their respective interest areas.

  - providing adequate transportation is restored to the area by themselves or others.

- Carrier to remain in its traditional area and harvest the total volumes remaining in that area. Should an inventory analysis prove that insufficient volume exists for the company's 20 year supply, then the B.C.F.S. may at its discretion allocate volumes to Carrier within the Prince George (East) district without unduly dislocating other licensees from their traditional areas.

- The Carrier quota of 205,000 m^3 to be considered the Company's traditional quota for harvesting purposes in the Prince George (East) district. The recent purchase of 75,000 m^3 of timber to be subject to removal from the Prince George (East) district at the end of the first 5 year term, as originally specified by Mr. MacPherson's letter of November 3, 1982 to Carrier Lumber. Considering that the rail line is not yet open, this move may be deferred until 1991 when other licensees move to the North. Any further cutting rights in the Prince George (East) district would only be acquired via the purchase of a licensee established in the district (see Appendix VIII).

- Carrier to be offered an opportunity to obtain a T.F.L. on the same basis as all other licensees in the Prince George T.S.A.; if in fact T.F.L.'s are offered to all licensees.

3.0 ISSUES TO BE ADDRESSED

3.4. Inventory of Prince George T.S.A.

3.4.1 Background

The last inventory of this forest was conducted some 20 years ago. Since that time, inventory updates have been calculated without field confirmation. Hence the available field data are not considered representative of the mature forest stands which remain today. In addition, the forest of this T.S.A. and especially the Prince George (East) district, has been subject to natural disasters and logging which may have changed the inventory.

Examples of these are:

- extensive harvesting whereupon mapping errors are possible.
- a 1976 blowdown of major proportions, some of which was not salvaged.
- a 1980 Spruce Bark Beetle epidemic, some of which was not salvaged.
- blowdown on the fringes of reserve blocks.
- Mountain Pine Beetle attack on selected mature stands of pine.

The Ministry of Forests and Lands Planning and Inventory Branch has developed a computer assisted mapping program designed to provide updated information on inventory conditions in the forest. Presently there is no plan to complete an inventory of the Prince George (East) district.

3.4.2 Conclusion

The B.C.F.S. and Industry must conduct in-depth reviews of the forest inventory of the Prince George T.S.A., and discuss means of providing a reinventory (ground sampling) of the entire area over the next five years. The forest industry has indicated their concern and is willing to participate in the funding of such a program. The Industry cannot plan or function on 20 year old data that may be obsolete. Nor can the Industry expand on the basis of outdated information. In fact, there is sufficient concern about the forest inventory, that investment of new capital into the area may be withheld.

3.4.3 Recommendations

- Since new aerial photograhs are now available, it is recommended that priority be given to completing new maps for the Prince George T.S.A., Prince George (East) district, including the Naver, Willow, Purden Lake and Monkman River drainages (see Appendix XIII).

- It is recommended that the merchantable volumes of those planning cells in the areas of the Willow and Naver Rivers and Purden lake where conflicts have arisen be ground truthed with new spot cruises done by independent consultants. Areas to be priorized in consultation with B.C.F.S., and the Forester of Carrier Lumber.

- It is not suggested that the approval of T.S.A. Plan #1 be withheld until this cruise is complete. This spot cruise program is to be considered a vote of confidence in the inventory.

- If spot cruising determines moderate to gross variances from quoted inventory levels as determined by more recent computer updates, then priority should be given to provide funding for an immediate new inventory for the Prince George (East) district, and eventually the Prince George T.S.A.

3.0 ISSUES TO BE ADDRESSED

3.5. B.C. Rail Ltd. Extension North of Fort St. James

3.5.1 Background

The Takla/Sustut supply blocks A and B, in the Fort St. James District of the Prince George T.S.A. may be developed through restoration of the B.C. Rail line north of Fort St. James (see Appendix XIV), or by removing this area from the Prince George T.S.A. and attaching it to timber supply areas to the west. (Bulkey or Kispiox T.S.A.)

With the depressed lumber markets of 1982 onward, and the buildup of the Spruce Bark Beetle attack in Prince George (East) in 1980, the three licensees with traditional cuts in the Takla relocated in the Prince George (East) to concentrate on harvesting beetle killed stands. This move was most logical and necessary at the time. Millions of metres of high quality forest were recovered. However, with no forest products to carry the operating costs of the rail line, the B.C.R. north of Fort St. James was closed. This decision was reinforced by the fact that untreated ties along the railroad were in advanced stages of deterioration.

Now that the beetle attack has subsided, the three companies which would normally return to their traditional interest areas in the Takla are unable to do so because a means of transporting logs to their Prince George conversion plants is no longer available. All three companies have indicated their willingness to return to the area, provided the rail link is restored.

Studies completed by the Ministry of Forests and Lands (Engineering Branch) in September, 1986; studies completed by B.C. Rail; and meetings held with the B.C.R. and the M.O.F. have all indicated different figures by which to assess the economic viability of harvesting and transporting wood from the area.

Questions that remain unanswered at this time and which must be addressed prior to a firm decision being made on the reopening of the B.C. Rail north of Fort St. James are:

- While trucking costs from the Sustut and North Takla to the Buckley and Kispiox areas are cheaper than quoted rail costs to Prince George, what is the real difference in costs when chips are hauled to Prince George?
- What mills located in the Bulkley and Kispiox T.S.A.'s are able to utilize wood reassigned from the Prince George T.S.A.?
- What net minimum volume must the B.C. Rail transport to justify reopening the north line? Figures range from 900,000 m^3 to 1,500,000 m^3/year.
- What is the true capital cost of reopening the rail line and what are factual operating costs in the area? What would these costs be for a logging railway versus a mainline railway.
- What government subsidy will be required to support the transport of this volume of wood and maintain the socio-economic balance of the Prince George industrial centre?
- Can wood logically be appraised to Prince George, rather than to Fort St. James (traditionally to the first mill)?
- Should, and can this rail line be withdrawn from the control of B.C. Rail and operated privately by the forest industry? Mini-studies conducted by the Industry indicate lower capital costs and cheaper operating costs if the rail line is privatized and operated to a logging railroad standard.

- What other industries could use the rail line and thereby lessen the burden carried by the forest industry, i.e. mining, freight, tourism, recreation?

- Could intensive forestry and better utilization of the forest profile provide sufficient volumes in the Prince George (East) district, to postpone the move back to the Takla/Sustut until some future date when the forest industry economy is stronger? Specifically, would a five year delay be of major significance?

3.5.2 Conclusion

Answers are not available today which adequately define the least cost opportunities and the alternates available for reopening the B.C. Rail line north of Fort St. James. It therefore becomes necessary to undertake an in-depth analysis within the very near future.

Alternatives:

- Government decides to supply the capital for restoring the line and to provide a subsidy until the volume of goods hauled is sufficient to generate a satisfactory profit.

- Government states that it will not restore the line or provide a subsidy. (Should this be the case then no study will be necessary.) The alternatives then available to the B.C.F.S. and Industry are:

    - The B.C.F.S. offer the three traditional licensees the opportunity to utilize their quota by whatever means available.

        - Start their own railroad

        - Truck wood to Prince George

  - Build mills in the Takla/Sustut
  - Truck wood to the west to Bulkley/Kispiox
  - Forfeit their quota.

- The B.C.F.S. advertise sales up to the available quota position (1,670,000 m^3) and allow operators to determine where and how the wood is to be converted.

- Government allows the Industry and B.C. Rail to negotiate log transport rates that are mutually acceptable without appeals to Government or the B.C.F.S.

3.5.3 Recommendations

1. Request that Government state its intentions.

2. If the project can be funded, then a committee of three members, one each from B.C. Rail, B.C. Government, and the T.S.A. steering committee, be appointed to:

   - set out the terms of reference of a study to be undertaken to answer the many questions.
   - decide on the consultant to be retained.
   - review the consultant's report and submit recommendations on the harvesting, disposition and/or transfer of cutting rights from the Takla (B) Sustut areas.
   - recommend the funding to be used for line restoration and operating costs - if rail is to be used.

This analysis should be completed within the next six months.

- The key participants in these decisions should be the Forest Industry, B.C. Government and the B.C. Rail. All must be aware of the final conclusions and agree on the recommendations so that the project may be implemented early in 1988.

3. If the project cannot be funded by Government, then B.C.F.S. issue Industry a directive to the effect that the utilization of this supply is their challenge to resolve.

3.0 ISSUES TO BE ADDRESSED

3.6 . Small Business Enterprise Program (S.B.E.P.)

3.6.1 Background

The S.B.E.P. commenced in 1979 with the passage of the new Forest Act to encourage a greater diversification of size and mix of companies and to permit new entrants into the Industry. The program was established under two categoriees:

- CATEGORY #1 is for the logging of small business timber sales and the sale of the logs to the market. Licensees must own one piece of logging equipment and must participate in supervising the operation.
- CATEGORY #2 is for the logging and processing of logs from small business timber sales. The owner must be at least part owner in the processing plant and must participate in supervising the operation.

Depending on the district, small business programs are handled differently, and various percentages of wood are put on the market by the small business program. Most Forest Districts will admit that the Category #1 small business program is very difficult to control and can be subject to large company sponsorship and manipulation, to gross overbidding and to some slackness in control of standards of harvesting and clean-up. There are many opportunists bidding on small business sales who are not small business entrepreneurs with the desire and/or the capability of managing these operations.

Specifically relating to the Prince George T.S.A., the licensees have these concerns that should be addressed in the short term:

- **Volume m3 By Districts**

District	Year 1986	Year 1990	Average 15 Years 2005
Prince George East	413,606	261,000	280,000
Prince George West	334,657	292,320	343,700
Vanderhoof	95,000	177,480	119,300
Fort St. James	190,737	313,200	225,400

- The Prince George (East) district is being overcut by the S.B.E.P. due to salvage of beetle infested wood. Some 100,000 m^3 of this volume must be re-allocated to the Fort St. James district within the next 5 years.

- The S.B.E.P. licensees are currently lobbying for a voice in the T.S.A. planning process. Representing 12% of the A.A.C., it is necessary that they be heard. At present this voice is heard through a representative of the Ministry of Forests and Lands.

- A portion of the S.B.E.P. licensees are not operating by appropriate guidelines and are being misused by some major operators. Only when the licensees of the S.B.E.P. have firm guidelines and strict control will this program be considered a success.

3.6.2 Analysis

In 1984, the Ministry of Forests and Lands commissioned a report to review the small business enterprise program in the interior and on the coast. The interior review was conducted by Harry Gairns of Industrial Forestry Service Ltd., Prince George, and his report constitutes a comprehensive analysis of the small business programs throughout the interior. This report makes some objective recommendations of how to improve the output and control of small business programs. It is not intended that another review of this program be conducted and another set of recommendations be made. Those are completely adequate and will serve the Ministry and the industry well, when fully implemented.

3.6.3 Conclusion

The S.B.E.P. has undergone a series of changes over the past few years, and still remains in a period of evolution. Small business is a necessary component of our free society and must be provided an opportunity to exist on a free and individualistic basis.

Small business should not become the tail that wags the dog, should not be provided opportunities not available to others, should not become a working tool for big business, and should not be disfavoured.

Most of these phenomena are occurring to some extent at this time within the Prince George T.S.A.

3.6.4 Recommendations

- The Ministry of Forests and Lands should continue to represent the small business operator being that it is the licensor and the supervisor of small business operations.

- The Ministry of Forests and Lands should become better listeners to the desires of the S.B.E.P. licensees and plan accordingly to meet the basic needs of the program.

- The S.B.E.P. licensees should not be given the preferred treatment they are requesting as their investment is minimal compared to the major licensees.

- The recommendations made by Mr. H. Gairns in November, 1984 should be implemented in total. Then a communication meeting must be held with the small business licensees to inform them of future plans and controls to be implemented for small business.

The B.C.F.S. plans to move the S.B.E.P. into the Takla/Sustut area along with the major licensees in 1991. This move will create problems under the program as it is operated today since small business can not afford to set up camps and transport crews on a 1 to 2 year licence, and can not afford the large bonus bids currently being paid today. If the S.B.E.P. is to work in the northern portion of the T.S.A., then these initiatives must be brought into effect:

- Licences be accurately cruised and awards based on the cruise.

- Sales be for a sufficient time span and volume to allow write-off of the additional equipment required.

- Small business operators be concentrated in one area where they have access to their own siding and rail car loadout.

AND/OR

- Small business operators work in the same interest areas as the major licensees and load out of the licensees rail siding.

In either case, it is not a desired solution and could signify the end of small business in the northern part of the T.S.A. An alternate is to maintain small business in the three southern districts on the recognition that:

- The percentage of small business will decline.
- S.B.E.P. licensees will move into the outer perimeter and difficult operations with the traditional quota holders.
- S.B.E.P. licensees can utilize a portion of the S.S.A. being vacated by the larger operators.

- Small business operators be encouraged to form an association to represent their joint views with industry and with the B.C.F.S. Their interests should be represented in the T.S.A. planning process in proportion to their contribution to employment and capital equipment expenditures.

3.0 ISSUES TO BE ADDRESSED

3.7 Prince George T.S.A. Boundaries

3.7.1 Background

Since the formation of the Prince George T.S.A. in 1979, there has been a continuing discussion regarding the boundaries of this unit. Obviously, other licensees in adjacent T.S.A.'s would like to transpose drainages out of the Prince George T.S.A. in order to enhance their wood supply, and perhaps improve their cost effectiveness. Boundary changes have been enacted and currently are being considered without due reference to the turmoil within the Prince George T.S.A.

Areas that have been deleted from the Prince George T.S.A.:

- 1979 - the Morkill and Goat Rivers were deleted from the Prince George T.S.A. and added to the McBride T.S.A., an A.A.C. reduction of 60,000 m^3/year. This volume is required for the Prince George T.S.A. and roads are in place for transport to the West.

- 1987 - Potential deletion of the Kakwa Park in the southeast portion of the Prince George T.S.A, an A.A.C. reduction of 20,000 m^3/year.

- An area in the vicinity of the Carp and Parsnip Rivers was transposed to the MacKenzie T.S.A., an A.A.C. reduction of 35,000 m^3/year in the Prince George (West) district.

- 1986 - The MacKenzie T.S.A. Committee requests a deletion from the Prince George (West) district in the Carp, Parsnip and Highway 97 areas, a further A.A.C. reduction of 100,000 m^3/year.

- 1984 to 1986 - The Takla and Sustut drainages (supply Blocks A and B of the Prince George T.S.A.) are being reviewed for possible transfer to the Bulkley and Kispiox T.S.A.'s where mills do not have the cutting capacity to accommodate the extra wood volume.

- 1986 to 1987 - West Fraser Mills applied for and received (December 29, 1986) a T.F.L. which centres mainly in the Quesnel T.S.A. A small portion extends into the Prince George T.S.A. and discussions are being held to effect boundary changes so that this T.F.L. appears within the Quesnel T.S.A..

- 1986 to 1987 - Weldwood of Canada is applying for a T.F.L. which falls mainly in the Quesnel T.S.A. A small area extends into the Prince George T.S.A. and discussions are being held to effect boundary changes so that this T.F.L. also appears within the Quesnel T.S.A..

- 1986 to 1987 - Balfour Forest Products has applied for a T.F.L. within the Prince George T.S.A. with a small portion extending into the Quesnel T.S.A. Discussions are to be held to effect boundary changes so that this T.F.L. appears totally within the Prince George T.S.A.

- 1986 to 1987 - Balfour Forest Products has applied for a T.F.L. which extends into the MacKenzie T.S.A. on the northern portion of Prince George (West) district.

3.7.2 Conclusions

The southeastern section of the Prince George T.S.A. is critically short of wood. The wood supply/harvest are in balance in the Prince George (West) district and the Vanderhoof district. The Fort St. James district is in an undercut position. Surplus wood from surrounding districts that are within economic haul distances could be well utilized by operators in Prince George.

3.7.3 Recommendations

- MORKILL AND GOAT RIVERS - that this area be returned to the Prince George T.S.A. for use by operators in the Prince George (East) district (See Map A, Appendix XV).

- KAKWA PARK - that this area remain as a park but be available for a controlled harvesting program (See Map B, Appendix XV).

- THE AREA CONTRIBUTING 35,000 m^3/YEAR WHICH WAS DELETED FROM THE PRINCE GEORGE T.S.A. IN FAVOUR OF THE MacKENZIE T.S.A. - that this transfer is a closed issue not to be reopened (See Map C, Appendix XV).

- REQUEST BY MacKENZIE T.S.A. COMMITTEE FOR A DELETION OF 100,000 m^3/YEAR FROM THE PRINCE GEORGE T.S.A. - that this request be denied as the wood is required for the Prince George T.S.A. (See Map D, Appendix XV).

- POTENTIAL TAKLA/SUSTUT DELETIONS IN FAVOUR OF THE HOUSTON, HAZELTON AREAS - that the wood supply in the Takla/Sustut is definitely required for the Prince George T.S.A. licensees and many operators must plan to move into this area by 1990. However, two vital issues may cause a change of long term planning for this remote area, namely:

  a) The reopening of the B.C. Rail line north of Fort St. James which is a requisite for transport of wood to Prince George.

  b) A major outbreak of the Mountain Pine Beetle and/or the Spruce Bark Beetle which could force a concentrated effort of salvaging attacked stands prior to their destruction. A 5 year delay while rail access is being installed may be too long and thus road access may be necessary from the west.

- THE TAKLA/SUSTUT AREA - that this area be carefully assessed to determine the extent of the current beetle infestation.

- WEST FRASER MILLS T.F.L. - that the quota position of 34,700 m^3/year and the land associated with that volume be removed from the Prince George T.S.A. and be contained within the Quesnel T.S.A. for administrative purposes (See Map E, Appendix XV).

- WELDWOOD OF CANADA T.F.L. APPLICATION. - that the quota position of 21,390 m^3/year and the land associated with that volume be removed from the Prince George T.S.A. and be contained within the Quesnel T.S.A. for administrative purposes (See Map F, Appendix XV).

- BALFOUR FOREST PRODUCTS T.F.L. APPLICATION. - that the Balfour quota position of 51,260 m^3/year and the land associated with that volume (i.e. that land to the north of the west road (Black Water River) be removed from the Quesnel T.S.A. and be contained within the Prince George T.S.A. for administrative purposes (See Map G, Appendix XV).

- BALFOUR FOREST PRODUCTS T.F.L. APPLICATION IN THE MacKENZIE T.S.A. - that this land allocation in the MacKenzie T.S.A. not be considered, and that Balfour withdraw this portion of their application (See Map H, Appendix XV).

3.0 ISSUES ADDRESSED IN DETAIL

3.8 Prince George T.S.A. Plan #1

3.8.1 Background

Plan No. 1 for the Prince George T.S.A. remains the last one in the province to be finalized and approved by the participants. The mere size of the T.S.A., as well as the large number of licensees involved, have slowed the process of evolution. More especially, the following have been the limiting factors:

- the area has been plagued with extraordinary problems that require a co-operative approach by Industry and Government.
- the Ministry has experienced difficulties in gaining approval of planning policy and guidelines (this has not always been the fault of the Forest Service).
- a feeling of distrust has developed, which has made licensees critical of changing policies and guidelines.
- licensees are now fearful that if approved, Plan #1 is will become a working model whereupon all future updates will be minor revisions to the plan.

3.8.2 Conclusion

This plan has been in developing for three years now; a final draft was presented in November, 1986. Most operators were willing to co-operate and accept the plan as presented. One licensee, perceiving that his position was not fully established, refused.

The Ministry's policy does not recognize the long term traditional interest areas of the established licensees; areas which these operators had agreed to in 1979 and again in 1982. Moreover, the additional licensees introduced to the area further expedite the impending timber shortage. It is the belief of this inquiry that problems must be resolved to the satisfaction of the majority, particularly those operators who are willing to co-operate. Therefore, it becomes a prime responsibility of the Ministry of Forests and Lands to foster a feeling of trust and co-operation in the resolution of problems within this T.S.A.

3.8.3 Recommendations

These pressing issues must be addressed:

- Carrier lumber should not receive any additional considerations from Victoria:
    - The 75,000 m^3/year sale should be moved from the overcut area of Prince George (East) in 1990.
    - The cedar quota should be exercised in cedar stands by 1988, or the sale terminated.
- The Rustad cut in Prince George (East) should be reduced to its original volume of 95,000 m^3/year (see Appendix XVI). The additional cut of 100,000 m^3 is not justified when considering the overcut position of the Prince George (East) district.
- The Prince George Wood Preserving licence should be moved from the overcut Prince George (East) area, into an undercut portion of the T.S.A. for the last 5 years, or longer if the cut is exercised into the Takla/Sustut.

- Woodland Lumber operates a specialty mill that should be allowed to continue. The company can obtain its wood supply by purchasing logs from quota holders, by using a quota from the S.S.A., by a category #2 S.B.E.P. sale, or by continuation of its short term F.L. in the Prince George (West) district. A category #2 sale in the S.S.A. would also suffice.

- With or without the restoration of the B.C. Rail line north of Fort St. James the traditional operators should return to the Takla/Sustut and exercise their annual cut of 520,000 m^3 (see Appendix XVII).

- The word "equitable" relative to timber supply should no longer be considered. The traditional operators have purchased and built their preferred position, and will not foresake this advantage to new quota holders.

- Licensees in the Prince George T.S.A. should have a land based tenure. As in the past, this may be by an honour system introduced and fostered by the B.C.F.S. and/or by tenure for a core volume in the form of a T.F.L.

- The reallocation of 380,000 m^3 of annual cut from Prince George (East) into the Takla/Sustut in 1990 should be reviewed and fully justified.

If the following annual cuts:

Carrier	75,000	
Prince George Wood Preserving	150,000	
Small business programs	100,000	
Rustad	100,000	
TOTAL	425,000	m^3/year

are exercised other than in Prince George (East), then perhaps no major disruption need occur in the majority of traditional licensees positions (T.S.A. Plan #1 A.A.C. volume summary attached). If this annual rate of harvest were not removed from Prince George (East), a quota reduction to all licensees operating in this southern area will result.

It is the concensus of many operators and the B.C.F.S. staff that quotas in the Takla/Sustut supply blocks will be quickly applied for, provided a rail line is available to transport of logs to the Prince George area or provided the uncommitted A.A.C. is made available to any operators who will locate in the North.

When these basic challenges are addressed concerning the T.S.A. Plan #1, there is strong evidence that maximum co-operation and harmony will return to this forest community.

3.0 ISSUES ADDRESSED IN DETAIL

3.9 NATIVE LAND CLAIMS

The purpose of this inquiry was to investigate the licensees' problems stalling the approval of Plan No. 1 for the Prince George T.S.A., to review the T.F.L. applications, and to determine a solution to the B.C. Rail extension north of Fort St. James. The inquiry was not formed to settle native land claims, or even to become involved in their dispute with federal and provincial governments. In a concerted effort to ensure that this inquiry was not impeded by Indian bands who were determined to have an audience, the decision was made to accept the bands submission at a private hearing.

All submissions were subsequently forwarded to the Ministry of Forests and Lands in Victoria, thus no further comment will be made on this issue of land claims. See attached submissions #2.23 and #2.24.

3.0 ISSUES TO BE ADDRESSED

3.10 Funding for the New Forest

3.10.1 Background

Funding for the development of new forests generally is established by the Government under these headings:

BASIC	Ministry of Forests and Lands - Planting
BASIC	Small Business Enterprise Program - Planting
BASIC	Section 88 - Planting
F.R.D.A.	Backlog Forestry, Site Rehabilitation, Intensive Silviculture.

The three basic provincial programs are designed to reforest current logged-over areas and tend new forests, while the F.R.D.A. joint Federal/Provincial funding is designed to lessen the backlog of non-restocked stands.

The forest industry is aware that a good percentage of the F.R.D.A. money is being spent in the Prince George area where the backlog of N.S.R. has reached critical proportions. However, even more relevant is the fact that only 10% of the F.R.D.A. funding is being invested in Prince George (East) where the problem is most acute.

Two natural but destructive forces have played havoc in the forest stands of the Prince George (East) district over the past decade. In 1976 gale force winds produced extensive blowdown, which in turn lead to the Spruce Beetle epidemic of 1980. As a result, harvesting operations were concentrated in the district to minimize losses to the mature inventory. The supportable A.A.C. was overcut by 50% and as a consequence, very large tracts of land were denuded. The potential growth offered by these lands - growth that is required to maintain the present allowable annual cut of this T.S.A. - now warrants the allocation of funds for restocking the entire cut over area and for tending the new forest as it develops

3.10.2 Conclusion

It has been stated many times that the B.C.F.S. does not have adequate staff to carry out extensive programs such as those required in the Prince George (East) district. Industry and small business have the capacity and should be provided the opportunity and incentive to conduct major rehabilitation programs on their traditional interest areas.

3.10.3 Recommendations

- Increase the allocation of funds for forestry programs in the Prince George (East) district to 50% of the total budget for the Prince George T.S.A. (See Appendix XVIII).
- Have the B.C.F.S. set the guidelines and policy and contract the programs out to the forest industry and small business entrepreneurs for implementation.
- Have the B.C.F.S. continue to monitor the various programs. ,
- Continue this program and even enhance it over the next decade, as this forest is the major source of supply for the Prince George industry.

3.0 ISSUES ADDRESSED IN DETAIL

3.11 Ministry of Forests and Lands and B.C.F.S. as Perceived by Industry

Each submission to this inquiry outlined the problems associated with maintaining a viable forest resource by which to justify investment in plants, infrastructure and forest renewal. While all licensees generalized on the opportunities for improvement, some made specific remarks which should be addressed by the Ministry of Forests and Lands in the near future.

3.11.1 Major Problems

3.11.1.1 Ministerial Prerogative

The major problem, as perceived by most licensees, is political intervention with the professional operation of a forest. Possibly without understanding the complexities of forest management, but more likely to satisfy different objectives, the politician has disrupted the best laid plans of professionals whose lives are dedicated to maintaining the forest resource through objective forest management. Hence planning and administration of a forest has been a frustrating exercise for all involved parties. (Example: Attachment #2.28, page 14).

3.11.1.1.1 Recommendation

Members of the Government should refrain from becoming too involved in forest planning and management, and should instead offer advice and guidance, lest they undermine the decisions of the regional district.

3.11.1.2 Carrier Lumber Ltd.

In 1982, Carrier Lumber Ltd. was awarded a new licence for 75,000 m^3 per year in the already overcommitted Prince George (East) district. The award was made at a time when quotas were to be moved from the district.

The company combined this new cut with that already held and commenced to exercise the total allowable cut in its traditional interest area. Since then the company has been most persuasive, has infringed upon traditional interest areas of adjacent licensees, and has established an even larger interest area of its own where it can exercise the total cut for the next 20 years.

In the interim, Carrier Lumber also purchased Far West Cedar, which owned and operated a cedar sawmill at McBride, and held a licence to cut cedar volumes thereabouts at 82,000 m^3 per year. The company immediately closed the sawmill and transferred the quota into the southernmost part of its interest area in the Prince George (East) district in order to harvest beetle attacked stands.

These increased rates of cutting were generally accepted for the initial three years, but after a further three years, the other licensees have become apprehensive, if not perturbed over concessions granted one particular licensee; especially when the district is overcut.

3.11.1.2.1 Recommendation

It is recommended that the Ministry advise Carrier Lumber Ltd. to:

- transfer the 82,000 m^3 per year cedar licence back into the McBride area by 1988, and re-open the cedar mill at McBride or relinquish the licence.

- Transfer the 75,000 m^3 per year licence out of the overcut Prince George (East) district.

3.11.1.3 T.F.L. Applications

During the 20 year planning process, a directive was issued to two companies in the Prince George (East) district which allowed each to submit T.F.L. applications based on quotas held. This move abrogated the planning process and provided these licensees with a definite advantage over the other quota holders. Since that time, most licensees have submitted applications for T.F.L.'s within the Prince George T.S.A. There are many conflicts.

It is understood that the West Fraser T.F.L. has been awarded and that the effect on the Prince George (East) district is minor.

It is understood that the Dunkley Lumber Ltd. T.F.L. application has been awarded and that their tenure is in the core area of the Prince George (East) district. However this T.F.L. is for less than 50% of their annual wood requirement.

3.11.1.3.1 Recommendation

It is recommended:

- that the Ministry limit all T.F.L. applications in the Prince George T.S.A. to areas that will support allowable annual cuts equal to 60% of an established licensees 1979 quota position.

- that all licensees be given a specified time to resolve any boundary conflicts amongst themselves.

3.11.1.4 Prince George Wood Preserving "Balsam Sale" - S.B.E.P. Category #2

This 10 year Forest Licence was awarded to Prince George Wood Preserving for 150,000 m^3/year on the basis that established licensees were not prepared to cut the priority balsam stands within the forest profile of the T.S.A.

Established licensees were not given the option to cut this type of wood or have their quotas reduced accordingly. Whereas in fact, most licensees were cutting priority balsam stands. Regardless, this licence immediately increased the rate of cutting in the Prince George (East) district where the actual harvest rate was already 1 million m^3 over the productive capacity of the land (the A.A.C.) Paradoxically, licensees were at the same time being told to move a portion of their quotas into the northern section of the T.S.A. where delivered costs of logs would average $15 to $20 above current costs.

In effect, this sale grants the opportunity for Prince George Wood Preserving to parachute into any of the traditional interest areas of other licensees. Needless to say, the award of this licence did not rest well with the other licensees.

3.11.1.4.1 Recommendation

It is recommended that the Ministry:

- transfer the Prince George Wood Preserving balsam licence from the Prince George (East) district to the Takla/Sustut at the 5 year review.

- give the company the option to apply for a second 10 year license in the northern district.

- inform the other licensees that they are now required to utilize priority balsam stands which will now contribute to the A.A.C. of the T.S.A.

- define specific areas for balsam cutting permits thereby not requiring Prince George Wood Preserving to find its own operating areas.

- establish these specific cutting permits outside operating areas of traditional licensees and within those stands which do not contribute to the A.A.C. of the T.S.A.

3.11.1.5 Woodland Lumber Ltd. - S.B.E.P. Category #2

This company was awarded a 2 year non-renewable licence of 30,000 m^3/year in the Prince George (West) district for high quality lodgepole pine. This decision was based on the fact that Woodland could not purchase lumber for its remanufacturing plant, and so was forced to start its own sawmill. This allocation again elevates the actual rate of cut above the A.A.C. for the Prince George T.S.A. Nevertheless, the Prince George (West) district can accommodate this increase for some time in the future.

3.11.1.5.1 Recommendations

It is recommended that the Ministry:

- not allow Woodland to place a cutting permit in the Prince George (East) district.

- allow Woodland's to apply for a S.B.E.P. Category #2 sale in the S.S.A., in the Prince George (West) district, in the Fort St. James district or preferably to purchase their log supply from other licensees in the T.S.A.

- Apply this same philosophy to Brink Forest Products when it re-applies for a new licence in 1987.

3.11.2 B.C.F.S. (Ministry of Forests and Lands) Constantly Changing Guidelines, Perceived Lack of Policy and Long Term Strategic Planning

Numerous issues have arisen as a result of a perceived lack of policy and long term strategic planning. A case in point has been the Prince George T.S.A. where there have been obvious examples of guideline changes, not all of which can be attributed to the B.C.F.S. or the Ministry of Forests and Lands.

3.11.2.1 Prince George T.S.A. Plan #1 - November, 1986

This plan was not developed totally in concert with the licensees, but was rather forced upon them when certain agreements were not forthcoming, and to satisfy an artificial time constraint that was imposed upon the planners. The plan therefore had inequities that were not resolved prior to circulation.

Examples of what prevents licensees from accepting the plan ad hoc:

- Perceived lack of strategy or guidelines on planning, possibly through communication breakdown with the Industry.
- Removal of the area of interest concept that provided licensees with a secure base of operations and an opportunity to practice sound forest management.
- Concessions granted to those who appealed to Victoria.
- Awards of timber to new licensees in the already over-committed Prince George (East) district, and the release of traditional operating areas to these new licensees.

- The transfer of 300,000 m^3 of quota into the Fort St. James area for all licensees, without adequate discussion with the Industry. This mass movement may not be necessary.

- The removal of 300,000 m^3 in problem forest types from the forest profile without providing the opportunity for licensees to "use it or lose it."

- The decision by the B.C.F.S. to force the traditional licensees of the Takla/Sustute area (Balfour, Rustad, Northwood) to return to the area with a volume commitment of 600,000 m^3/year instead of their traditional cut of 520,000 m^3. This volume constitutes a cost increase of approximately $1,500,000/year for these companies.

- The decision by the B.C.F.S. to increase the Rustad quota position in the Prince George (East) district from a traditional 95,000 m^3/year to 190,000 m^3/year. This move is being proposed when the district is overcut and operators are being forced into much higher cost areas.

Factors which could alter a general movement of all licensees to the North for a volume cut of 380,000 m3/year:

- The utilization of the forest profile by all licensees (problem wood).

- The transfer of the recently awarded timber licences out of the Prince George (East) district.

- The inclusion of the low site immature age classes as contributors to the A.A.C.

- Increased growth as a result of intensive silvicultural practices within the district.

  - A decrease in volume losses each year from fire and insects, brought about by an improved detection system and a positive reaction to eliminating fire losses and beetle epidemics.

- The continually changing guidelines and policy regarding the transfer of tenure in the Special Sale Area (S.S.A.):

  - The S.S.A. was designed in 1962 as a temporary regulatory unit to last as long as the designated sawlog stands remained. It was designed for liquidation over the short term.

  - In 1982 it was stated that when sawlog stands in the S.S.A. could no longer sustain a cut of 189,600 m^3/year, the cut of these sales would revert to the Forest Service reserve.

  - In March 1986 a letter from the Deputy Minister gave licensees with the S.S.A. the option of exercising their quota therein for three additional years, whereupon they could transfer fifty percent of their quota to the T.S.A. and exercise it there in a Timber Sale Licence. The other 50% was to be lost.

- In September, 1986 another letter from the Ministry changed the guidelines and stated that all licensees who had operated on third band wood would be subject to a 50% reduction in cutting rights effective in 1990. This reduction was selective, affecting four major licensees only.

- A letter in December, 1986 stated that 10 year licences would be granted in the T.S.A. at 50% of the S.S.A. quota, again on a selective basis, but effective January 1, 1987.

It is now understood that the B.C.F.S. have reviewed the S.S.A. with all licensees affected, and the program will proceed as scheduled with major licensees accepting a 50% cut in 1990 and minor licensees remaining at 100% cut. All licensees will transfer to T.S.L.'s within the T.S.A.

3.11.2.2 Conclusions

Even though the S.S.A. was designed for liquidation, the area has served several mills for 25 years. The questions remain why are licensees being forced to vacate while timber is still available in the S.S.A. and why are the major operators forced to entertain the open log market to supplement their requirements at this time.

3.11.2.3 Recommendations

It is recommended that the Ministry roll the quotas of all licensees in the S.S.A. into Forest Licences within the T.S.A., with the provision that the Regional Manager assign the areas into which these added cutting rights may be exercised.

3.11.3 Fire and Beetle Detection

3.11.3.1 Background

Fire-and-beetle-kill detection and action plans do not have long term strategy and urgency requirements. Detection is late and often not recognized for severity; corrective action is fragmented, late, or non-existent.

The chaotic fire season of 1985, the Spruce Bark Beetle infestation in the Prince George T.S.A. of 1980, and the mountain pine bark beetle infestation starting in the East Kootenays in 1966 are all manifestations from which the government and the forest industry can learn valuable lessons. In essence these are:

- Be prepared for the worst.

- Set up early warning and detection systems that will identify when and where outbreaks could occur.

- Have long range strategy in place with equipment and trained crews capable of handling a major disaster.

- Overkill during the early stages of any fire or beetle attack. Co-operation between Government and Industry is the key to success.

- Maintain complete and accurate records for future training.

The basic case studies (see Appendix XIX), as recorded by industry, relate back some years, and are as follows:

- The Spruce Bark Beetle case study presented by Northwood in their inquiry presentation.

- Paper presented to the Western Forestry Conference in 1979 by Dave Molenka - C.F.I.

- A case study on the Mountain Pine Beetle infestation as reported by J. Murray, C.F.I., in a paper to the joint Canada/U.S.A. workshop on Mountain Pine Beetle related problems in Western North America in 1981.

- The internal B.C.F.S. inquiry minutes held to analyze the causes and cures for the fires of 1985. No minutes were available for this report.

- A recent position report by the Ministry of Forests and Lands, Prince George, on a new epidemic outbreak of Mountain Pine Beetle in the Prince George T.S.A. (see Appendix XX).

3.11.3.2 Conclusions

Natural catastrophies have caused considerable damage to B.C.'s great forest resource in the past, and yet, because of the depth of this resource, irreparable damage has not resulted. B.C. moves ever closer to the brink of total utilization of the sustainable forest resource, and thus closer to the day when such natural disasters could have a disasterous impact on this province's forest economy.

The B.C.F.S. has the major responsibility for the protection of the forests from fire loss. Since 95% of the forests are Crown-owned, this accountability is well grounded. Also, since industry may have trained crews and equipment in any specific land area, it must be involved in the overall strategy of detection and suppression. Co-operation is the only key to success.

The detection and suppression system employed in beetle attacks is far from satisfactory by either the landlord or the tenant. A brief review of the detection system reveals a small group of federal entomologists, emanating from an understaffed department, working sporadically throughout the province, with little interest in our provincial forests. The communication between Government and Industry on beetle potential build-ups is cursory at best. Long term suppression strategy requires much closer communication to be effective.

3.11.3.3 Recommendations

It is recommended that the Ministry:

- accept the prime responsibility for fire detection and major suppression systems for the B.C. forests. This program is to involve the forest industry and to become a co-operative venture that includes not only the immediate suppression activities, but also long term strategy and methods of containment and suppression in case of catastrophic fires.

- accept the prime responsibility for beetle and other natural phenomena (wind, disease) detection systems and possess the required staff to ensure early and complete detection. The Federal Government can supply funds to the Province for this operation, and

- the B.C.F.S. and the Forest Industry develop short and long term strategies of how and when to react to pending beetle epidemics and determine who will supply the field expertise to control any outbreaks.

3.11.4 General Conclusions

While some co-operative efforts are being undertaken, the Ministry of Forests and Lands/B.C.F.S. and the Forest Industry have been in opposition for many years. This is hampering the ability of each to develop a strong and viable forest industry for the good of all in this province. Changes in attitude "down the line" essentially start at the top and must be conveyed in clear, concise terms to all line management. Both groups have a common objective, and both must align their thinking to attain that objective.

3.11.5 Recommendations

It is recommended that:

- Government is the voice of the people, and thus Government should clearly state policies for the development and management of the Crown forest resource.

- Government leave the management of the forest resource to the professionals and stop attempting to satisfy all people when it is contrary to the long term viability of the sustainable resource:

- Industry start treating the B.C.F.S. as their allies in the operation and management of the forest resource in B.C.

3.0 ISSUES ADDRESSED IN DETAIL

3.12 Industry as Perceived by the B.C.F.S.

3.12.1 Background

While there has never been any direct criticism at this inquiry of industrial professionals and C.E.O.'s of Industry, there is an underlying feeling of frustration and distrust of some actions of the Industry by professionals in the Service. This feeling is understandable since some members of Industry do not always act in an honest and forthright manner when dealing with the Ministry. One almost gets the impression from Industry that the Ministry of Forests and Lands' professionals are not given due consideration for their talents, perhaps because of the difference in short term objectives, and the time frame required to obtain decisions from the Ministry.

3.12.2 Conclusions

Both communication and co-operation must improve in the future if ever there is to be a commonness of purpose in managing the forests of B.C. The professionals of Industry must become forthright in their dealings with the Service, particularly on such issues as timber quality, quantity, costs, planning, long term requirements and objectives and strategy. The prime objective is to maintain a stable profitable industrial base through our forest resource.

Should Industry wish to be considered mature and capable of inheriting the field management of the forest resource, then Industry must demonstrate a maturity and integrity that few have displayed in the past.

Some basic patterns that must change if co-operation is to be restored:

- The actual cost of harvesting from various locations can no longer be a game between sides, where one quotes high and the other low - while the truth is somewhere in the middle. The appraisal system becomes a farce when Industry will not disclose true costs.
- Industry can not consistently state that the quality of wood to be harvested is only merchantable to a certain quality and not expect the Service to react; especially when other operators state that they can economically utilize such wood. These games usually end with Industry, which does utilize all the wood available on an "as needed basis" being caught in a trap of its own making.
- Industry must become more aware of the needs of the Ministry in relation to long term planning, and must talk out as professionals any problems which arise in the planning strategies. All plans are essentially developed only to assist in managing the forest.
- In relation to the B.C. Rail line restoration north of Fort St. James, Industry must become realistic and aggressive.
    - It is Industry's responsibility to find methods of removing wood from this northern area. It can not rely on others to resolve its transport methods and expect to retain a quota position capable of supporting its conversion plants.
    - Industry must make a commitment that once a rail line is re-established, then the timber will be hauled annually to its mills. No investor will program $40 million into a market venture if he can see no commitment to use his product.

  - Industry must once and for all declare that the small percentage of wood being removed from the Takla area is not a "stand alone" cost item. This high cost wood contributes an "incremental" cost only, which when added to the remainder of the supply only slightly inflates the overall supply cost to the conversion plants.

- The burden of replacing the forest and tending a new crop can not continue to fall back on Government. This is a joint responsibility that must be accepted by both parties.

- Industry must learn that it can not continue to exert political pressure to gain its desires, especially when its requests are contrary to good forest management.

- Industry and Government must start working in a co-operative manner with all facts on the table for the common good of the Forest Industry, in order to avoid industrial failure in the future.

And finally, there is a perceptable, positive change in professionals of the Forest Industry and Government. This perhaps is a result of the changes in personnel in both areas, the interchange of personnel from Industry to Government, and perhaps the maturing of both groups into more efficient and communicative teams.

GLOSSARY

1. ALLOWABLE ANNUAL CUT (A.A.C). The rate of timber harvest from a specified area of land. A.A.C.'s are determined by the Chief Forest for Timber Supply Areas (T.S.A.'s) and Tree Farm Licences (T.F.L.'s) in accordance with the Assessment Act. A.A.C.'s are normally determined as part of a forest management plan (T.S.A. Plan or T.F.L. Management and Working Plan), and are subject to reassessment at least every five years.

2. A.A.C. APPORTIONMENT. The distribution of the A.A.C. for a T.S.A. among timber tenures by the Minister in accordance with the Section I of the Forest Act.

3. A.A.C. RATIONALE. The long term timber supply objectives and the broad management assumptions and strategies upon which an A.A.C. is based. These include, for example, the harvest forecast, the net land base, timber harvesting priorities and constraints, timber utilization levels and standards, levels of unsalvaged losses and Five Year Program requirements and performances.

4. ALTERNATIVE. See Option

5. ANALYSIS UNIT. The basic building blocks around which inventory data and other information are assembled for use in forest planning models. Analysis Units represent the general level of aggregation, or detail at which a timber supply analysis is carried out. Analysis Units are normally defined as aggregations of inventory Type Groups and Site Classes, but may also be designed to incorporate considerations for geographic location or similarity of management regimes.

6. AVAILABLE VOLUMES. The portion of total inventory volumes which are available for harvesting after consideration for all management constraints on timber harvesting. These constraints are specific to an option, and include considerations for netting down, maturity, deferrals and any other priorities or constraints on timber harvesting.

7. CULMINATION AGE. The age at which a forest stand, for a stated diameter limit and utilization standard, achieves its maximum average rate of volume production. The age at which the mean annual increment (MAI) is a maximum).

8. DATA ASSUMPTIONS. Analytical approximations and representations of physical, biological and economic characteristics of the forest resource and its development over time. These include, for example, the forest inventory, yield projections, and reforestation costs.

9. FOREST PLANNING MODEL. An analytical (usually computer based) model which successively harvests and grows collections of forest stands over a period of several decades according to specific data and management assumptions. Forest planning models are of two basic forms — forest estate simulation models, which address "what-if" questions by simulating a specified policy or management alternative, and linear programming harvest scheduling models, which seek out the policy or management alternative which optimizes the attainment of a specified management objective subject to specified management constraints.

10. HARVEST FORECAST. A measure of timber supply. A harvest forecast is usually a measure of the maximum timber supply that can be realized, over time, from a land base for specified management assumptions. It is an output of forest planning models and is a function of the size and productivity of the land base, the current growing stock, the length of the planning horizon and the totality of management objectives, constraints and assumptions and how they are modelled.

11. IFSYIELD. A forest estate simulation model developed by Industrial Forestry Services (IFS). This model addresses "what if" questions by simulating a specified policy or management alternative.

12. LINEAR PROGRAMMING. An Operations Research technique which has been drawn upon to provide the mathematical optimization procedure in forest planning models such as Timber Resource Allocation Method (Timber RAM) Multiple Use Sustained Yield Calculation (MUSYC) and FORPLAN.

13. LONG RUN SUSTAINABLE YIELD (LRSY). A measure of land base productivity for specified management assumptions. LRSY is determined as the long term sustainable level (asymptotic value) of the harvest forecast generated by a forest planning model. LRSY is a function of the size and productivity of the land base, the current growing stock, the length of the planning horizon and the totality of management assumptions (for example, unsalvaged losses, regeneration delays, managed stand yield tables, extended minimum cutting ages, etc.) and how they are modelled. Roughly speaking, LRSY can be thought of as the Maximum Sustained Yield (MSY) of a land base, adjusted upwards or downwards by the imposition of management objectives and constraints on the land base.

14. **LONG TERM**. The period covering more than one rotation (normally 0-200 years).

15. **MANAGEMENT ASSUMPTIONS**. Analytical approximations and representations of management objectives, priorities, constraints and other conditions. These include, for example, the criteria for netting down the land base, standards, cut/leave ratios and the assumed silviculture and pest management programs.

16. **MANAGEMENT ISSUES**. Known or anticipated problems and perceived opportunities which surround the management of timber, range, recreation and other resource values.

17. **MANAGEMENT STRATEGY**. A game plan. In the T.S.A. plan, the policies, priorities, and actions, and how these are orchestrated, to implement the management direction (i.e., production targets) established in the current plan.

18. **MAXIMUM SUSTAINED YIELD (MSY)**. A measure of land base productivity. The MSY for a land base is the sum of the product of the maximum MAI, based on empirical yield projections to specified diameter limits and utilization standards, and the land area for each major timber type.

19. **MEAN ANNUAL INCREMENT (MAI)**. Stand volume divided by stand age. The stand age at which the MAI assumes its maximum value is called the culmination age.

20. **MODEL**. An abstraction and simplification of reality which is constructed to aid the understanding of an actual system or problem at hand. Forest managers and planners have made extensive use of this concept for a long time. For example, maps, classification systems and yield projections are all models.

21. NET LAND BASE. The portion of the total land area of a management unit which is considered to contribute to, and be available for, long term timber supply. The net land base is defined for an option by reducing (or "netting down") the total (or "gross) land base in a manner consistent with the management assumptions for that option.

22. OPTION. A set of assumptions representing a possible management direction. Options are constructed as a normal part of a planning process in order to provide a framework for analysis and facilitate management decision-making. The term option can be used in the context of a management option, a planning option or an analysis option depending upon the nature of the assumptions defining the option. An option is usually synonymous with an "alternative" or "scenario". However, an analysis of an option may take the form of a number of different model scenarios or "runs", each representing minor changes within a broad set of assumptions.

23. PLANNING HORIZON. The time frame addressed in a plan or in analyses carried out in support of a plan. A planning horizon includes a "look-ahead" period which is required to understand resource dynamics and provide a basis for evaluating alternatives, and a "detailed" period which is needed to lay out management guidelines and provide a basis for operational decision making.

24. PRODUCTION TARGET. A forecast of resource supply over time, based on current policies, programs and practices, and their continuation over the planning horizon. In the T.S.A. plan, production targets are identified for timber harvesting, forage harvesting and recreation opportunity. The first five years of the timber harvesting production target is the A.A.C. for the T.S.A. for the term of the current T.S.A. plan.

25. REGENERATION DELAY. The number of years between the denudation of a forest stand by harvesting or natural causes and the establishment (germination) of the next crop. The point at which the next crop is regarded as established must be consistent with the origin of the yield projection which will be assumed to describe the yield development of the next crop.

26. REGULATED FOREST. A forest with a distribution of age, size and productivity classes such that an approximately equal annual or periodic yield may be harvested in perpetuity. The regulated, or "normal", forest is a useful concept but is seldom realized in practice.

27. ROTATION AGE. The number of years, following denudation, required to establish and grow a timber crop to a specified condition of maturity. The rotation, or cutting age is often chosen as the culmination age.

28. SCENARIO. See option.

29. SITE INDEX. A measure of site productivity. Site indices are based on tree height as a function of stand age and usually expressed graphically as site index curves. A number of site index curves have been developed for British Columbia's major commercial tree species. For example, standard MoF (all species), Gouydie (lodgepole pine and interior spruce), Bruce and King (coastal Douglas-fir), etc.

30. SHORT TERM. The period covering the next 20 years.

31. TIMBER SUPPLY ANALYSIS. The assessment of future timber supplies over long planning horizons (typically 0-200 years). Timber supply analyses are carried out using forest planning models for the different options identified in the T.S.A. (or T.F.L.) planning process.

32. TIMBER SUPPLY AREA (T.S.A.) An integrated resource management unit established, in accordance with Section 6 of the Forest Act, as a revision to and a consolidation of the former Public Sustained Yield Units. The T.S.A. is the land unit with respect to which T.S.A. planning is carried out.

33. T.S.A. PLAN. The forest management plan developed for a T.S.A. The T.S.A. Plan establishes the long term supply objectives and the broad management strategies for the timber, range and recreation resources in the T.S.A. For the timber resource, the T.S.A. plan establishes an A.A.C. and 20 year licensee operating areas.

34. T.S.A. PLANNING PROCESS. Forest management planning as carried out for T.S.A.'s in accordance with Chapter 3 of the Resource Planning Manual.

35. TIMBER SUPPLY FORECAST. See harvest forecast.

36. TWENTY-YEAR SUPPLIES OF CROWN TIMBER. Designation for planning purposes, of the geographical location of the supply of Crown timber over the 20-year planning horizon of the T.S.A. plan. Such areas are shown on a map accompanying a T.S.A. plan document. Because the location of the timber harvest is the major determinant of access development, crop renewal, crop protection and crop enhancement Five Year Program requirements, and expected integrated resource use conflicts, its designation is an essential component of a T.S.A. plan. These designations may be largely a matter of a T.S.A. plan. Normally, these designations conform to or are developed from "planning areas", "interest areas", "chart areas", "operating areas" or other such formal or informal designations.

37. **UNSALVAGED LOSSES**. The volume of timber killed (annually over a specified Net Land Base) by natural causes and not harvested. Unsalvaged losses include the volume of timber actually killed plus any residual stand volumes rendered unmerchantable. Sometimes called Non-recoverable Losses.

38. **YIELD PROJECTIONS**. Forecasts of future yields from forest stands or timber types. Yield projections can be developed for stand volume, stand diameter or specific products, and for empirical (averagely stocked), normal (optimally stocked) or managed stands. Yield projections can be based on a number of mensurational approaches and procedures including the use of site index curves (see site index) and generalized growth models (for example, Chapman-Richards, Ek/Payandeh, etc.)

APPENDIX I

CASE STUDY - SPRUCE BARK BEETLE ATTACK

CASE STUDY - SPRUCE BARK BEETLE ATTACK

The Spruce Bark Beetle attack on the forests of the Prince George East District has left the Prince George TSA with a legacy of problems. The impact of the Spruce Bark beetle attack in the Prince George East District is central to many of the issues facing the Licensees of the TSA. The following is a CASE STUDY review of the attack as it occurred.

It was impossible to salvage all of the blowndown timber that resulted from wind storms of the mid 1970's. Though much was accomplished, there were still areas that were inaccessible and blowndown timber was not and is still not salvaged. Recurring fringe blowdown along edges of cutblocks continued throughout the salvage period and there was extensive blowdown area in the Bowron Lake Provincial Park that was never salvaged. The unlogged park blowdown was largely responsible for the massive build-up of bark beetles in the Bowron Valley. This residual timber provided the ideal breeding grounds for a build-up in the beetle population.

A previous outbreak in the mid 1960's had occurred in the north part of the Bowron Valley between Highway 16 and the Fraser River. A combination of salvage logging by Northwood and natural factors finally held the beetle attack in check and the beetle population returned to endemic levels.

The build-up in beetle population in the unsalvaged blowdown timber grew unchecked and unnoticed until populations exploded in the winter of 1979/80. In March of 1980, Northwood foresters found evidence of Spruce Bark beetle in timber located south of Haggen Creek.

The Company recognized the problem but did not know the extent or magnitude of the problem. In early April of 1980, the Company met with the Forest Service in an effort to put a program together. Two items were discussed:

1. Commencement of a probe program to identify the extent of beetle attacked areas.

2. Obtaining the services of an Entomologist to assist the Company.

With respect to the first point, Company and Forest Service crews were to begin a probe program. With regard to the Entomologist, the Company's request was turned down as the Forest Service advised that it could get an Entomologist on short notice.

Six to eight weeks after discovering this outbreak, Northwood submitted a plan for removal of the timber. In a May 9, 1980 letter to the Forest Service, Northwood committed itself to salvage insect infested timber within its traditional operating areas and identified the harvest of 2.64 million m^3 to be logged between the summer of 1980 to the end of summer operations 1982.

The Company further identified a number of issues that needed to be dealt with in dealing with the salvage program.

The main issue was cut control. Northwood proposed that the cut control for the salvage program would be the total Company quota including 437,400 m^3 from TFL 30 and 88,360 m3 from the SSA license, but excluding the Takla quota.

The Forest Service in late May of 1980 did agree to a cut transfer to the Purden for all volume except for the TFL and the SSA. Cuts for those Licenses would have to be retained in those units. By September 1980, the Forest Service and Northwood had signed a Memorandum of Agreement to consolidate quota for purposes of salvaging the attacked timber. The Memorandum provided the Forest Service with the option of disposing of timber should the Company be unable to log the attacked timber within an acceptable period of time.

As it turned out, the TFL cut was utilized to take care of beetle problems on the TFL, but that program was smaller in comparison with the PSYU areas.

Maintaining operations in the SSA meant that Northwood was obliged to log green standing timber when beetle attacked timber went unlogged.

By 1981, after one year of logging, it became increasingly obvious that the beetle problem was expanding beyond control. Northwood, in June 1981, hired an entomologist to assist in resolving this problem.

Up to then, the Company was directed by the Forest Service to log trees already attacked - similar to fire salvage. The entomologist hired by Northwood convinced the Forest Service to allow the Company to log green attacked timber first and not dead timber. The strategy switched the emphasis of the program away from chasing the beetle to one of removing the beetle before it flew on to new trees.

In the fall of 1981, Northwood and the Forest Service reviewed the salvage plans. At that time, the Forest Service expressed concern that there should be logging in the Upper McGregor. However, in approving the Company's Development Plan October 2, 1981, the Forest Service concurred that due to lack of sufficient data on the severity of the Spruce Bark beetle attack in the Upper McGregor River, the majority of the AAC could be utilized to harvest the severely damaged timber within the Purden PSYU.

At a subsequent meeting, December 18, 1981, it was agreed that Northwood would inform the District Office of infested areas the Company would not be able to handle prior to severe degradation of the timber.

The Upper McGregor Valley became a contentious issue with the Forest Service. Northwood had requested in June of 1981 that the Forest Service approve Section 88 funding for upgrading the Sande Road into the Upper McGregor. The existing road was adequate to handle small volumes but not the volume needed to effectively remove beetle timber.

Without the ability to haul timber from the Upper McGregor off-highway, Northwood would have to highway-haul both large logs to the Upper Fraser mill and smallwood to the Prince George mill. This rendered this wood economically unattractive to Northwood, especially when there was wood in the Bowron Valley of equal or higher priority to log.

The Forest Service rejected the Company proposal to upgrade the Sande Road, instead suggesting the road should be constructed under the appraisal system. This was unacceptable to Northwood because stumpages were at minimums, lumber markets were depressed and industry was entering the recession that affected the economy of the entire Province.

The week after the December 18th meeting, Northwood again wrote on December 22, 1981 requesting the Sande Road be built under the Emergency Pest Control Funding that was available. Once again the Company was refused.

The Sande Road was eventually upgraded in 1985 by Northwood at its own cost, with no Section 88 funding.

In the December 22, 1981 letter, Northwood advised the Forest Service that the Company could not handle all the beetle attacked timber and other operators would be necessary. When the Forest Service refused our request for funding to extend the Sande Road, it created a greater necessity to have the volume logged by others.

The attack on timber in both the McGregor and Bowron was increasing and again in April 1982, in accordance with the terms of the agreement with the Forest Service, Northwood advised the Forest Service that it could not completely handle attacked volumes. In addition to the McGregor, Northwood asked that the Forest Service place Small Business sales in the lower Bowron valley. The Forest Service did not put up any timber in the Upper McGregor in the winter of 1982/83 and the beetles continued unchecked.

In the meantime, Northwood had made two additional requests to transfer volume from the SSA to the Forest Licence to log attacked timber:

- in May 1983, to transfer SSA volume to the Upper Bowron
- In September 1983 to transfer SSA volume to the Upper McGregor.

The request in both instances was disallowed.

The following winter (1983/84) Northwood offered timber under its quota to Lakeland, Carrier, and Clearwater, to remove timber in the McGregor. Those companies logged 153,000 m^3 in that year, but declined to return the following year despite previous interest in returning.

In the meantime, the Forest Service accelerated the cut in the Lower Bowron at a unprecedented rate. Transfer of cut into the Bowron by others (Balfour, Rustad), and increased sales under the Small Business program, combined with Northwood's own cutting, removed much of the valuable timber. The Forest Service further agreed to a new Forest Licence to Carrier for 75,000 m^3 to remove timber in the Lower Bowron. As well, the Forest Service allowed Carrier to switch its Cedar Forest Licence into whitewood in an effort to salvage timber.

In summary:

- Northwood made every effort possible to remove the beetle attacked timber
- no one knew the extent of the problem
- the Company hired an entomologist to assist in resolving the problem
- the Company informed the Forest Service as early as possible that it could not handle all the timber, thereby releasing it to others.

The net effect of the Spruce Bark beetle attack in the Lower Bowron is that in five years, Northwood has seen:

- An unprecedented volume of wood removed from the old Purden PSYU.
- An accelerated Small Business program that has removed more volume from the Prince George East District than any other Forest District. (The beneficiaries of this program have in many cases been other established Licensees in the Prince George area).
- The awarding of a new Forest Licence in the Bowron area where overcutting was known to be occurring. This new Forest Licence is now regarded by Carrier as having been established in the Bowron area.
- The transfer of a "Cedar" Forest Licensee to log whitewood. Despite a subsiding of the beetle problem, the Forest Service continues to allow this Cedar Licensee to log whitewood in face of the known supply problem.
- Sale of an additional 150,000 m^3 for balsam utilization.
- An entrenchment by Rustad to double its annual rate of cut in the Purden over the next 20 years.

All of this has had a long-term negative impact on Northwood's traditional operational area with little recognition by the Forest Service of the impact of the Spruce Bark beetle on Northwood's long-term log supply and log cost.

B111.5.40.

Province of
British Columbia

NEWS RELEASE

MINISTRY OF FORESTS AND LANDS
HON. JACK J. KEMPF, MINISTER

FOR IMMEDIATE RELEASE

1986:76

November 28, 1986

INQUIRY SET INTO PRINCE GEORGE TIMBER SUPPLY AREA

VICTORIA -- A comprehensive, in-camera inquiry into the Prince George Timber Supply Area (TSA) has been initiated by Forests and Lands Minister Jack Kempf.

It will be conducted by Bill Ewing, President, Woodland Resource Services Ltd.

Kempf said the inquiry was prompted by concerns expressed by licencees about their future wood supply.

"The inquiry has a broad scope. It includes all matters related to the TSA's orderly development and good management and the practical and equitable allocation of licencee operating areas," he said.

Ewing, a registered professional forester, was selected to conduct the inquiry because "he is eminently qualified and respected, and has an objective perspective on the situation," the minister said.

The inquiry will be held at the Holiday Inn in Prince George from December 15 to 17 commencing at 9 a.m. daily. Ewing's report is to be submitted to the minister by January 16, 1987.

- more -

RECEIVED
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File ....
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cc. R Harmer

The inquiry will:

- review all applications submitted for tree farm licences within the Prince George TSA;
- review the impact of British Columbia Railway's Dease lake extension on the management of the Prince George TSA;
- review the designation of licencee operating areas in the 20-year plan and the appropriateness of applicable procedures and guidelines;
- review any other issues that have a significant impact on the TSA's orderly development and management;
- make appropriate recommendations on the above matters.

The minister said interested parties are invited to register their intention to make a presentation with the commissioner by Monday, December 8.

The deadline for receipt of written submissions is Thursday, December 11, 1986. Six copies of each submission should be sent to: Bill Ewing, Commissioner, Prince George Timber Supply Area Inquiry, 6th Floor, 1155 West Georgia St., Vancouver, BC, V6E 3H4 (Phone: 684-7335)

-30-

Contact: Ken Belik
Acting Prince George Regional Manager
Phone; 565-6102

Mike Wilkins
Executive Director, Operations
Phone: 387-1298

Province of British Columbia

Ministry of Forests and Lands

Minister's Office
Room 337
Parliament Buildings
Victoria, B.C.
V8V 1X4

December 18, 1986

Mr. B. Ewing
Commissioner
Prince George T.S.A eview

Dear Mr. Ewing:

On behalf of the Minister's office I would like to thank the forest companies, interested parties and the Prince George Regional and District Offices for preparing and submitting briefs to this T.S.A. review. The obvious time and effort which went into the briefs is a reflection of the serious nature of this matter and I assure you the Ministry of Forests will attend to this issue early in the new year. The Ministry of Forests will be considering the recommendations prepared by the Commission and subsequently decide on a course of action. At that time all parties will be contacted and informed of the outcome.

It is the intention of the Ministry of Forests to keep all parties involved in the decision making process and keep all parties informed through open and frank communication.

In anticipation of some excellent recommendations I would like to thank Mr. Ewing for his efforts, patiences and expertise in carrying out this review. Mr. Ewing's experience and understanding of the B.C. forest industry will allow him to develop the necessary recommendations to assist in the Prince George T.S.A. planning process.

In closing I, on behalf of the Minister, would like to wish all of you and your families a very Merry Christmas and wish you all the good fortune in the New Year.

Yours truly,

Richard W. Prokopanko

Richard W. Prokopanko
Ministerial Assistant

RWP/hac

APPENDIX II

Announcement of inquiry to all licensees.

2

LICENCEES
PRINCE GEORGE T.S.A.

INQUIRY SCHEDULED FOR HEARING IN PRINCE GEORGE

DATE: Week of December 15, 1986

LOCATION:
Holiday Inn
444 George Street
Prince George, B.C.
V2L 1R6
Phone: 563-0055

CRANBROOK SOUTH ROOM

TIMES:

- Attached summary sheet will provide each licencee a time slot for their presentation.
- Should any licencee fail to show for their presentation, or only take a portion of the time allocated, the licencee immediately following should be prepared to start their presentation.

GUIDELINES:

- Time allocation per presentation is 1-1/2 hours. If Chairman is not satisfied that licencee has been heard in full a further private meeting may be requested.
- Licencee's submissions will be available for Commissioner's review by December 12th, therefore licencees need only summarize their submissions at the inquiry.

- All questions to be asked of the submitting licencee will be by the chair. Questions from the floor will be directed to the chair and the limit will be one question per licencee until all licencees with questions have been heard.

- The commissioner reserves the right to decline any question not deemed relevant to this inquiry.

- The commissioner reserves the right to decline hearing submissions from any party not a licencee and/or not serving the primary objective of the inquiry.

- Licencees are invited to attend all the submissions, and may bring a limited number of back-up staff.

- The public and the press are NOT invited to attend.

- All licencees intending to make a submission will provide three copies of their report to the Woodlands Office, Vancouver, by December 12th.

PHILOSOPHY: While a short review of the past may be self serving in some instances, what's past is gone, and it is tomorrow where constructive emphasis will provide positive results.

APPENDIX III

Licensees scheduled submission dates,
addresses of submitting companies.

PUBLIC INQUIRY

PRINCE GEORGE T.S.A.

SCHEDULE

DECEMBER 15, 1986

B.C.F.S., Prince George Region - Mike Wilkins/Howard Willis

Prince George T.S.A. Committee - Bob Stowell

Central Interior Logging Association - Frank Drougal - contract loggers, small business

Rustad Bros. & Co. - Don Alexander

The Pas Lumber Company Ltd. - Bob Stowell

DECEMBER 16, 1986

Balfour Forest Products Inc. - Jerry Deere

Prince George Wood Preserving Ltd. - Bill Blaney

Stuart Lake Lumber Co. Ltd. - Wayne Drury

CanFor (Takla Division) - Ray Aro

Dunkley Lumber Ltd. - Blair Mayes

DECEMBER 17, 1986

Westar Timber Ltd. - Derek C. Curtis

Lakeland Mills (1973) Ltd. - George Killy

Apollo Forest Products Ltd. - Les Huffman

L & M Lumber Ltd. - Norm Avison

Northwood Pulp and Timber Limited - Doug Little

Carrier Lumber Ltd. - Rick Campbell/Brian Lapointe

DECEMBER 18, 1986

West Fraser Mills - Allan Dupilka
Enso/West Fraser Mills - Tom Turner

Tanizul Timber (T.F.L. 42) - Paul Klotz

MacKenzie T.S.A. Steering Committee - Ted Brown

Brink Forest Products - John Brink - submission read

Woodland Lumber Ltd. - Peter Byl

COMPLETED AT 12:30 P.M., THURSDAY, DECEMBER 18

PRIVATE MEETINGS CONDUCTED

- I.F.S. - Harry Gairns
- McLeod Lake Indian Band - Harry Chingee
- Local Historian - Ken Bernsohn
- Brink Forest Products - John Brink
- CanFor (Takla Division) Forester - Ray Aro
- Northwood - Doug Little
- Carrier Lumber - Bill Kordyban
- Ministry of Forests staff - Belik, Willis, Truant
- Former Regional Manager - Bill Young

PUBLIC INQUIRY PARTICIPANTS

MAILING AND STREET ADDRESSES

MAILING ADDRESS	STREET ADDRESS	CONTACT NAME
APOLLO FOREST PRODUCTS LTD. P.O. Box 129 Fort St. James, B.C. V0J 1P0	Tachie Road Fort St. James, B.C. VoJ 1P0	Les Huffman
BALFOUR FOREST PRODUCTS INC. P.O. Box 789 Prince George, B.C. V2L 4T3	BCR Industrial Site Prince George, B.C.	Jerry Deere
WESTAR TIMBER LTD. P.O. Box 2000 Vanderhoof, B.C. V0J 1M0	Highway 16 West Vanderhoof, B.C. V0J 1M0	D. C. Curtis
CARRIER LUMBER LTD. #203 1717 Third Avenue Prince George, B.C. V2L 3G7	Same as mailing address	W. Kordyban
DUNKLEY LUMBER LTD. Box 173 Prince George, B.C. V2L 4S1	c/o Loomis Courier Services 429 McAloney Cres. Prince George, B.C. V2K 4L2	Blair Mayes
B.C. FOREST SERVICES Ministry of Forestry 1011 4th Avenue Prince George, B.C. V2L 3H9	Same as mailing address	Mike Wilkins Howard Willis
L & M LUMBER LTD. Box 100 Vanderhoof, B.C. V0J 3A0	Highway 16 West Vanderhoof, B.C. V0J 3A0	Norm Avison
LAKELAND MILLS (1973) LTD. Box 1358 Prince George, B.C. V2L 4W2	CNR Industrial Site River Road Prince George, B.C.	George Killy
NORTHWOOD PULP AND TIMBER LIMITED Box 9000 Prince George, B.C. V2L 4W2	Northwood Pulp Mill Rd. Fraser Flats Prince George, B.C.	Doug Little

MAILING ADDRESS	STREET ADDRESS	CONTACT NAME
RUSTAD BROS. & CO. Box 698 Prince George, B.C. V2L 4T3	8555 Pacific Street Prince George, B.C. V2N 2K8	Don Alexander
STUART LAKE LUMBER CO. LTD. P.O. Box 5 Fort St. James, B.C. V0J 1P0	Same as mailing address	Wayne Drury
CANADIAN FOREST PRODUCTS LTD., TAKLA DIVISION P.O. Box 6000 Prince George, B.C. V2N 2K3	Pulp Mill Road Prince George, B.C.	Ray Arrow
THE PAS LUMBER COMPANY LTD. P.O. Box 879 Prince George, B.C. V2L 4T8	River Road Prince George, B.C.	Bob Stowell
WEST FRASER MILLS LTD. P.O. Box 6000 Quesnel, B.C. V2J 3J5	1250 Brown Miller Road Quesnel, B.C.	Alan Dupilko
ENSO FOREST PRODUCTS c/o West Fraser Mills P.O. Box 6000 Quesnel, B.C. V2J 3J5	c/o West Fraser Mills 1250 Brown Miller Road Quesnel, B.C.	Alan Dupilko
WOODLAND LUMBER 1546 Northern Cres. Prince George, B.C.	Same as mailing address	Peter Byl
PRINCE GEORGE WOOD PRESERVING LTD. P.O. Box 159 Prince George, B.C. V2L 4S1	Willow Cale Forest Road Prince George, B.C.	Bill Blaney
CENTRAL INTERIOR LOGGING ASSOC. 3851 18th Avenue Prince George, B.C. V2N 1B1	Same as mailing address	Frank Drougal
TANIZUL TIMBER c/o Ominika Insurance	c/o Ominika Insurance Stuart Drive Fort St. James, B.C. V0J 1P0	Paul Klotz

MAILING ADDRESS	STREET ADDRESS	CONTACT NAME
MACKENZIE T.S.A. STEERING COMMITTEE c/o BC Forest Products	c/o BC Forest Products MacKenzie Sawmill Division MacKenzie, B.C. V0J 2C0	Ted Brown
BRINK FOREST PRODUCTS	River Road Prince George, B.C.	John Brink

APPENDIX IV

Prince George T.S.A. maps
indicating location in province, districts and supply blocks.

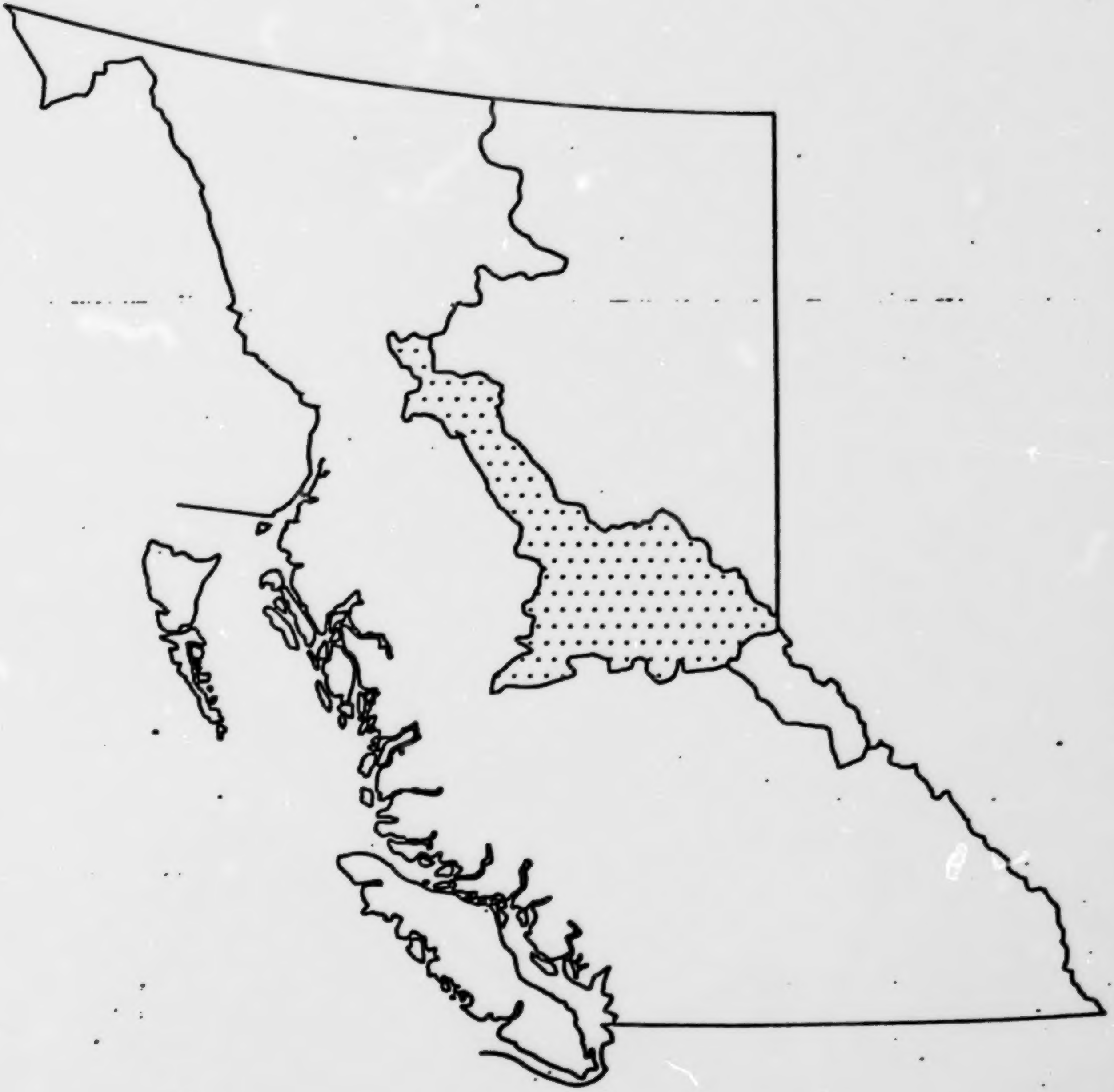


Figure 1. Prince George TSA - Key Map for Province/Region/TSA

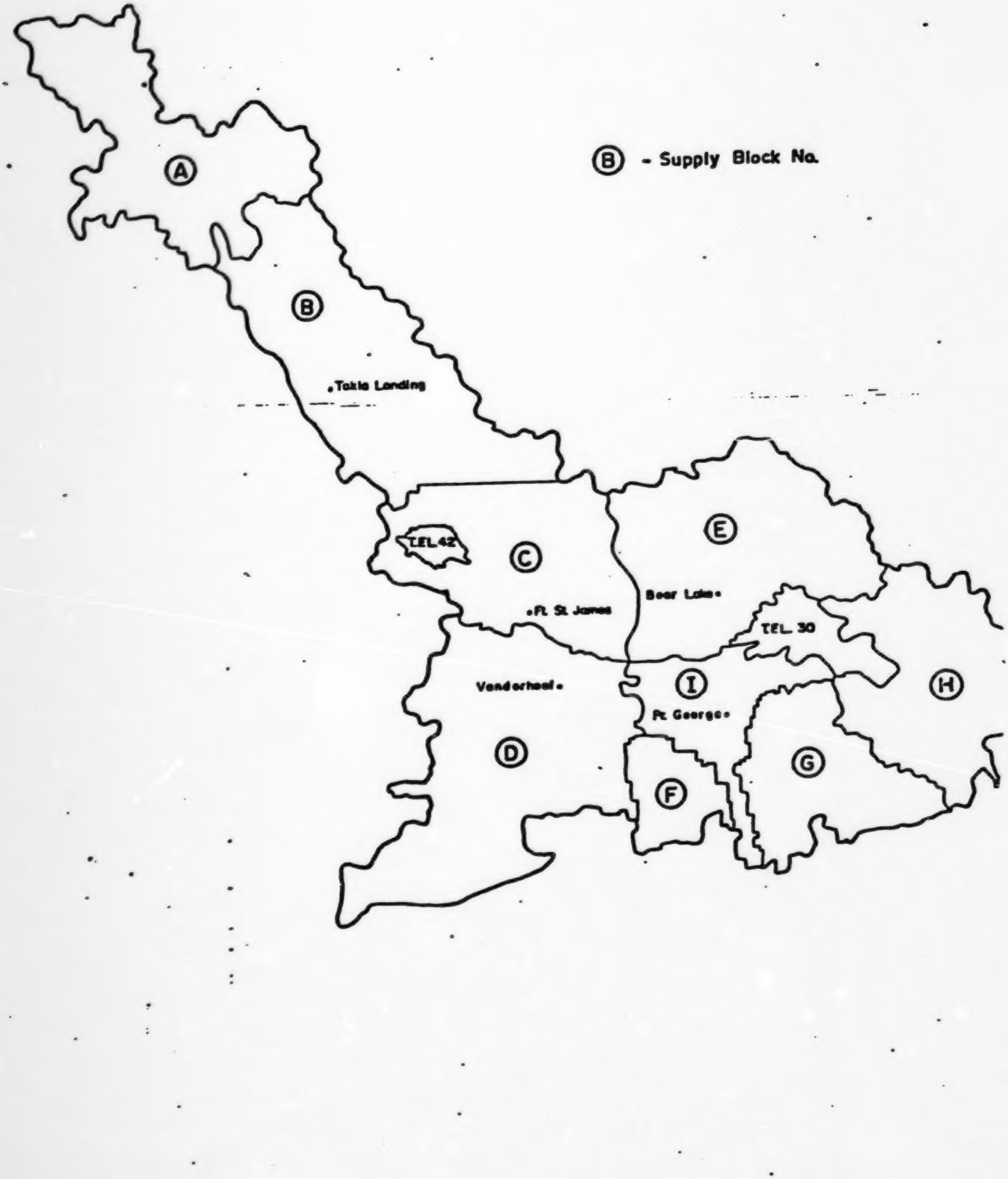

Ⓑ - Supply Block No.
Ⓐ
Ⓑ
Takla Landing
TEL 42
Ⓒ
Ft. St. James
Ⓔ
Bear Lake
TEL 30
Ⓘ
Ft. George
Ⓗ
Vanderhoof
Ⓓ
Ⓕ
Ⓖ

Figure 3. Prince George TSA - Key Map for TSA/Supply Blocks

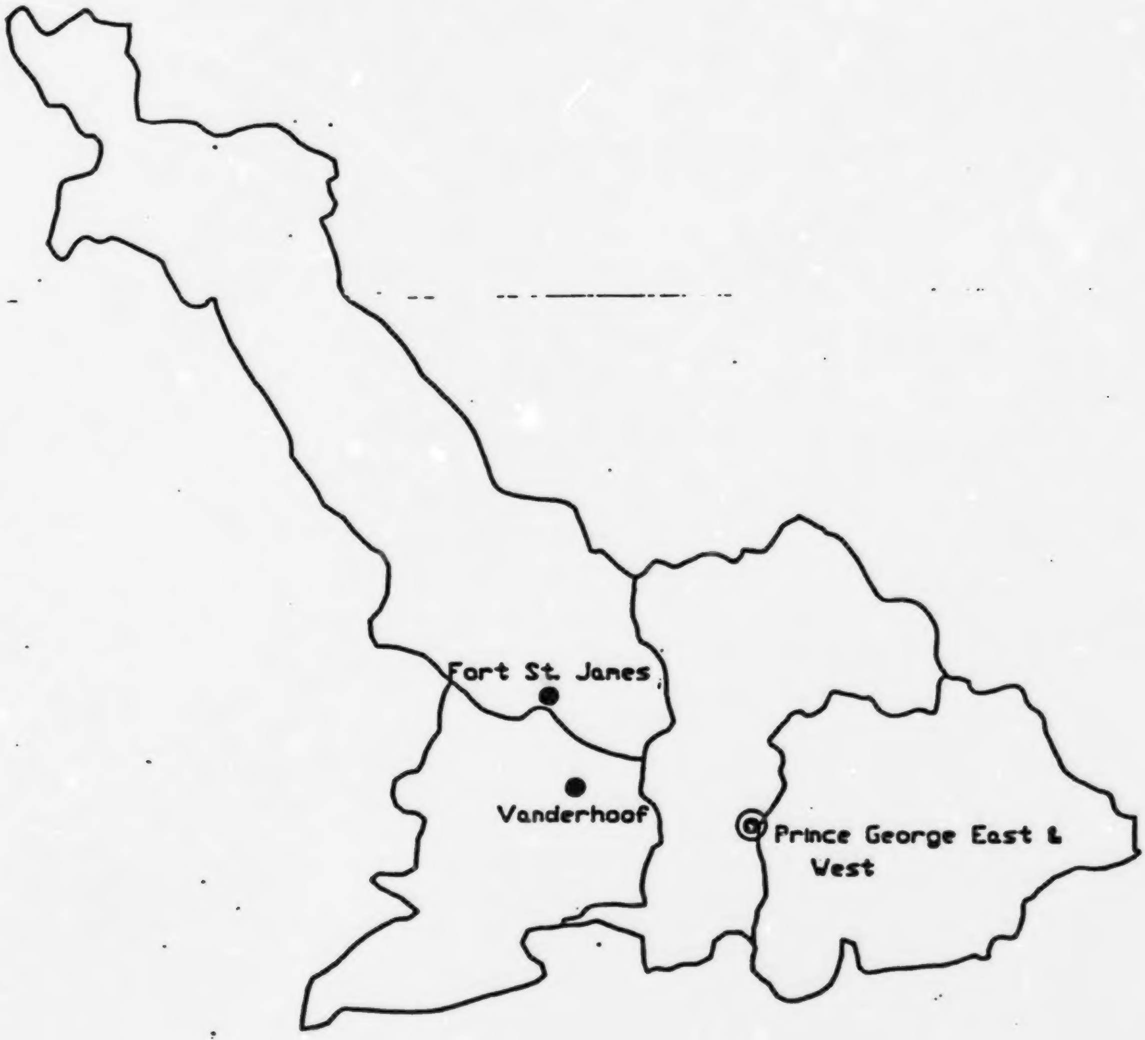

Fort St. James
Vanderhoof
Prince George East & West

Figure 2 Prince George TSA - Key Map for TSA/Districts

APPENDIX V

Analysis of licensees 1979 interest area supply.

Prince George T.S.A.
Analysis of Licensee 1979 *Interest Area Supply

Date: April 9, 1984
File: 700-6-2-24
By: H. Willis

Licensee	Apportionment (m^3)	Total First Pass (m^3) & (Years)	Total Second Pass (m^3) & (Years)	Total Third Pass (m^3) & (Years)	Total All Passes (m^3) & (Years)	Total Net (m^3) & (Years)
Apollo	232 560	7 044 400 (30.29)	4 971 200 (21.38)	0	12 015 600 (51.67)	13 954 400 (60.00)
Balfour	1 333 150	24 894 800 (18.67)	29 099 000 (21.83)	277 900 (0.21)	54 271 600 (40.71)	70 209 100 (52.66)
BC Timber (Plateau)	686 120	16 423 000 (23.94)	13 909 000 (20.27)	4 600 (0.01)	30 336 600 (44.21)	48 987 200 (71.40)
Carrier Lumber	362 610	3 003 100 (8.28)	3 617 200 (9.98)	718 900 (1.98)	7 339 200 (20.24)	11 739 500 (32.37)
Domtar	52 130	- NOT LISTED - (INCLUDED IN OTHER LICENSEE AREAS)				
Durkley Lumber	167 380	2 333 800 (13.94)	2 445 300 (14.61)	215 000 (1.28)	4 994 100 (29.84)	8 004 400 (47.82)
Fraser Lake (Eurocan)	274 640	6 689 400 (24.36)	8 396 100 (30.57)	2 500 (0.01)	15 088 000 (54.94)	21 754 000 (79.21)
Lakeland	272 490	2 200 600 (8.08)	4 918 400 (18.05)	147 900 (0.54)	7 266 900 (26.67)	10 890 800 (39.97)
L & M Lumber	50 720	583 300 (11.50)	136 000 (2.68)	0	719 300 (14.18)	748 100 (14.75)
Northwood	1 301 160	26 515 700 (20.38)	24 045 300 (18.48)	482 300 (0.37)	51 043 300 (39.23)	80 975 900 (62.23)
The Pas	645 430	8 551 900 (13.25)	11 873 000 (18.40)	718 400 (1.11)	21 143 200 (32.76)	29 108 400 (45.10)
Perry Bros.	2 180	187 300 (85.92)	213 700 (98.03)	0	401 100 (183.99)	540 800 (248.07)
Rustad	467 530	10 807 000 (23.12)	11 912 900 (25.48)	398 700 (0.85)	23 118 600 (49.45)	34 434 700 (73.65)
Stuart Lake Lumber	212 440	4 617 800 (21.74)	4 983 600 (23.46)	52 100 (0.25)	9 553 600 (44.97)	12 524 800 (58.96)
Takla Forest Prod.	1 070 240	15 997 200 (14.95)	21 334 000 (19.93)	362 500 (0.34)	37 713 600 (35.24)	47 830 800 (44.69)
Weldwood	21 390	1 446 200 (67.61)	1 077 200 (50.36)	3 800 (0.18)	2 527 200 (118.15)	3 144 300 (147.00)
West Fraser	34 700	672 500 (19.38)	777 000 (22.39)	124 800 (3.60)	1 574 300 (45.37)	2 140 100 (61.67)
Total 1979 Interest	7 186 870	131 968 000 (18.36)	143 708 900 (20.00)	3 509 400 (0.49)	279 106 200 (38.84)	396 587 400 (55.24)
Total TSA Available	(8 605 000)	162 812 900 (18.92)	164 164 700 (19.08)	3 798 800 (0.44)	330 776 400 (38.44)	485 735 600 (56.45)

* In some cases 100% of "interest area" is included, in other cases only 20-year portions of "interest areas" were delineated and included here-in.

0070p

APPENDIX VI

20 year planning area volumes by licensee.

Province of British Columbia
Ministry of Forests
Forest Service

6)

1011 - 4th Avenue
Prince George, B.C.
V2L 3H9

June 8, 1984

File: 700-6-2-24

ALL LICENSEES
PRINCE GEORGE TIMBER SUPPLY AREA

Re: Approved 20-Year Planning Areas

Enclosed is a map depicting the approved 20-Year Licensee Planning Areas for the Prince George T.S.A. and a summary of the planned cut in percent by Licensee, five-year period and the 20-year planning horizon.

The 20-year planning areas are approved subject to public review of the proposed T.S.A. Plan.

With resolution of Licensee Planning Areas, the way is now clear to proceed with the longer-term supply/yield analyses, and documentation of the "plan" for public review. Equally, Licensees may begin preparation of their Management and Working Plans consistent with the submission deadlines given each Licensee, covering the period January 1, 1984, to December 31, 1988.

M. J. Wilkins
Regional Manager

MJW/jjg
Enc.

PRINCE GEORGE TIMBER SUPPLY AREA

APPROVED LICENSEE 20-YEAR PLANNING AREAS

JUNE, 1984

Licensee	Adjusted A.A.C. *	Planned Cut (%) for 20-Year Period Years 1-5	Years 6-10	Years 11-15	Years 16-20	Total 1-20	Status of Submission
pollo Forest Prod.	258,372	101.1	98.9	109.3	122.5	107.9	1
alfour	1,441,027	100.0	107.1	128.9	107.5	110.9	2
arrier Lbr. (white wood)	302,587	113.8	110.9	93.4	114.0	108.0	2
arrier Lbr. (cedar)	89,005	109.6	100.4	107.5	111.4	107.2	2
unkley Lumber	180,770	98.1	102.0	110.6	125.7	109.1	1
urocan	313,573	92.8	96.9	125.7	127.5	110.7	1
& M Lumber	55,230	94.1	136.4	103.1	94.5	107.0	2
akeland Mills	294,725	93.2	83.4	133.9	129.2	109.9	1
orthwood	1,401,964	105.0	110.9	104.5	108.0	107.1	2
he Pas Lumber	675,070	91.8	101.9	121.6	119.6	108.7	1
ustad Bros.	494,237	99.3	103.4	125.4	113.0	110.3	2
tuart Lake Lumber	226,480	94.6	104.4	120.6	120.2	109.9	1
akla For. Prod.	1,143,837	92.9	92.5	127.1	126.7	109.8	1
eldwood	22,352	96.5	96.0	101.0	131.6	106.3	1
est Fraser	37,414	101.0	106.6	121.3	108.9	109.5	1
estar	770,302	100.8	113.5	111.3	112.3	109.5	2
omtar	52,130 - Covered by Balfour, Westar, Lakeland and Eurocan.						

* Apportioned volume plus pro-rata share of S.B.E.P. volume.

1. Approved as submitted (per submission of May 25, 1984).

2. M.O.F. revision/ajudication. Revised availability schedule and area/volume summary attached for Licensee in question.

64-4115

PRINCE GEORGE T.S.A. COMMITTEE

Crooked River
Nechako-Westlake
Takla
Willow-Ahbau

#101-1595-5th Avenue, Prince George, B.C. V2L 3L9

May 25, 1984

File 700-6-2-24

Mr. M. Wilkins
Regional Manager
Ministry of Forests
1011 Fourth Avenue,
Prince George, B.C.
V2L 3H9

Dear Sir:

Re: Licensee 20 Year Planning Areas in the Prince George T.S.A.

Attached please find the following information for the Licensee 20 year planning areas as submitted to the Committee by the 16 major Licensees in the Prince George T.S.A.

1. Letter from each Licensee (except Weldwood) covering their respective 20 year plans.

2. Photocopies of a printout for each Licensee detailing the cell number, strategy options in effect, available constrained volume by 5 year periods, adjusted annual allowable cut and the period total as a % of the adjusted allowable cut.

3. A map showing the 20 year areas and conflicts.

4. A map to be used as a guide showing the "1979 Interest Areas" (adjustments have been made in the Nechako-Lakeland and Northwood to Carp, L & M over the Northwood Nechako area,-etc. Interest areas for the Purden, Longworth and Monkman may not be correct).

5. A printout of the cell numbers that are in conflict. In most cases the "Traditional" Licensee is listed first. This is not necessarily the case with the conflict cells between Carrier and Northwood.

...../2

6. A summary of the Licensee 20 year planning areas showing Adjusted A.A.C., and planned cut as a percent for the 20 year period by Licensee.

7. A summary by each Licensee showing the S.B.E.P. volume and other adjustments that were made to arrive at the Licensee adjusted annual volume.

Yours truly,

PRINCE GEORGE T.S.A. COMMITTEE

A.S. Nevison
Secretary

ASN/ai

(Compiled April 24, 1984)
(Revised April 30, 1984)

SMALL BUSINESS VOLUME BY LICENSEE & LICENSEE ANNUAL ALLOWABLE CUTS

Licensee	Forest District	(1) Total SBEP Volume m^3 1984-2003	(2) Annual SBEP Volume m^3 (total vol. ÷ 20 yrs.)	Domtar Volume	Licensee A.A.C.	Adjusted Annual Volume m^3
Apollo FP	Ft.St.James	(3) 40,000 476,250	(3) 2,000 23,812	-	232,560 ✓	258,37
Balfour	Ft.St.James	300,000	15,000			
	P.G. West	682,150	34,108	10,000		
	P.G. East	796,155	39,808			
	Vanderhoof	179,216	8,961			
			97,877	10,000	1,333,150 ✓	1,441,02
BC Tbr. (Westar)	Vanderhoof	1,283,638	64,182	20,000	686,120 ✓	770,3
Carrier	P.G. East	448,740 white	22,437 + 280 800 =		302737 89005	
		133,905 Cedar	6,695 + 82 810 =		362 610	391 74
			29,132	-	362,460	391,5
Dunkley	P.G. East	267,795	13,390	-	167,380 ✓	180,77
Eurocan (Fraser L.)	Vanderhoof	516,056	25,803	13,130	274,640 ✓	313,57
L & M Lbr.	Vanderhoof	94,800	4,740	-	50 720 50,490 x	55 [illegible] 55,2
Lakeland	P.G. West	264,700	13,235	9,000	272,490 ✓	294,72
Northwood	P.G. East	1,758,780	87,939			
	P.G. West	97,300	4,865			
	Ft.St.James	160,000	8,000			
			100,804	-	1,301,160 ✓	1,401,96
Pas Lumber	P.G. West	592,800	29,640	-	645,430 ✓	675,07
Rustad	P.G. East	159,240	7,962			
	P.G. West	214,900	10,745			
	Ft.St.James	160,000	8,000			
			26,707	-	467,530 ✓	494,23
Stuart Lk. Lumber	Ft.St.James	280,800	14,040	-	212,440 ✓	226,48
Takla F.P.	Ft.St.James	1,035,450	51,773			
	Vanderhoof	358,432	17,922			
	P.G. West	78,050	3,902		✓	
			73,597	-	1,070,240	1,143,8
Weldwood	P.G. West	19,250	962	-	21,390 ✓	22,3
West Fraser	P.G. East	54,285	2,714	-	34,700 ✓	37,41

(1) Total volume proposed by the M.O.F. to come from Licensee planning areas between 1984 and 2003. In many cases volume is not scheduled from a Licensee planning area until 1989.

(2) This figure is arrived at by dividing the total SBEP volume allocated by the M.O.F. to the Licensee in the period 1984 to 2003 by 20 years.

(3) District Manager has scheduled 2000 m^3/yr in Pinchi area of Apollo chart area for Woodlots.

PRINCE GEORGE TIMBER SUPPLY AREA

LICENSEE 20 YEAR PLANNING AREAS-MAY 24, 1984

	Adjusted A.A.C.	Planned Cut (%) for 20 Year Period				
		Years 1-5	Years 6-10	Years 11-15	Years 16-20	Total 1-20
Apollo Forest Prod.	258,372	101.1	98.9	109.3	122.5	107.9
Balfour	1,441,027	96.5	107.1	128.9	105.1	109.4
Carrier Lumber	391,592	135.2	162.6	235.7	221.4	188.7
Dunkley Lumber	180,770	98.1	102.0	110.6	125.7	109.1
Eurocan	313.573	92.8	96.9	125.7	127.5	110.7
L & M Lumber	55,230	94.6	136.9	118.8	133.7	121.0
Lakeland Mills	294,725	93.2	83.4	133.9	129.2	109.9
Northwood	1,401,964	108.1	113.2	114.8	118.0	113.5
The Pas Lumber	675,070	91.8	101.9	121.6	119.6	108.7
Rustad Bros.	494,237	92.3	104.3	130.3	114.7	110.4
Stuart Lake Lumber	226,480	94.6	104.4	120.6	120.2	109.9
Takla For. Prod.	1,143,837	92.9	92.5	127.1	126.7	109.8
Weldwood	22,352	96.5	96.0	101.0	131.6	106.3
West Fraser	37,414	101.1	106.6	121.3	108.9	109.5
Westar	770,302	100.8	116.7	109.0	111.3	109.4
Domtar	52,130*	This A.A.C. is covered by Balfour, Westar, Eurocan, Lakeland				

38yr

APPENDIX VII

Tenure now held by major licensees.

Province of British Columbia
Ministry of Forests
Office of the Minister

MEMORANDUM

7.

To: A. C. MacPherson
Deputy Minister

Date: June 23, 1986

870-2-24
805-2-382

Attached is the revised apportionment plan for the Prince George Timber Supply Area (TSA) in the Prince George Region.

The apportionment plan has been revised to reflect the amalgamation under the Company Act of Takla Forest Products into Canadian Forest Products Ltd., effective the first day of January 1986.

Under Forest Licences and Timber Sale Licences, the name Takla Forest Products has been replaced by Canadian Forest Products Ltd.

Jack Heinrich
Minister of Forests.

Attachment

cc: Executive
cc: Regional Managers
cc: Branch Directors

Revised 1986 06 23
effective 1986 01 01

PRINCE GEORGE TIMBER SUPPLY AREA

AAC Apportionment

Approved AAC	8 605 000 m^3 or	100.0% of AAC
Forest Licences	7 184 690 m^3 or	83.5% of AAC
Timber Sale Licences Designated Applicants	211 430 m^3 or	2.5% of AAC
Timber Sale Licences Small Business Enterprise Program		
Category 1	787 400 m^3 or	9.1% of AAC
Category 2	256 600 m^3 or	3.0% of AAC
Woodlot Licences	87 000 m^3 or	1.0% of AAC
Forest Service Reserve	77 880 m^3 or	0.9% of AAC

Specifically, the following Forest Licences and Timber Sale Licences are approved:

Forest Licences

Licensee	Approved AAC in m^3
Apollo Forest Products Ltd.	232 560
Balfour Forest Products Inc.	1 333 150
Canadian Forest Products Ltd.	1 070 240
Carrier Lumber Ltd.	280 300
Carrier Lumber Ltd. (50% Cedar Hemlock)	82 310
Domtar Inc.	52 130
Dunkley Lumber Ltd.	167 380
Enso Forest Products Ltd. & West Fraser Mills Ltd.	274 640
L. & M. Lumber Ltd.	50 720
Lakeland Mills (1973) Ltd.	272 490
Northwood Pulp & Timber Ltd.	1 301 160
West Fraser Mills Ltd.	34 700
Rustad Bros. & Co. Ltd.	467 530
Stuart Lake Lumber Co. Ltd.	212 440
The Pas Lumber Co. Ltd.	645 430
Weldwood of Canada Ltd.	21 390
Westar Timber Ltd.	686 120
Total	7 184 690

Revised 1986 06 23
Effective 1986 01 01

PRINCE GEORGE TIMBER SUPPLY AREA (Cont'd)

Timber Sale Licences

Licensee	Approved AAC in m^3
Canadian-International Timber Corporation	220
Gordon Peters Logging Ltd.	420
W. F. Koch	1 440
D. B. Leboe	600
C. M. Perry	2 180
H. W. Poole	260
A. H. Ray	1 400
L. D. Walstrom	190
Total	6 710

Timber Sale Licences

(Former Fort St. James SSA)

Licensee	Approved AAC in m^3
Canadian Forest Products Ltd.	4 440
E. Larsson	2 830
W. F. S. Luck	770
Stuart Lake Lumber	1 380
R. Ubleis	2 100
E. D. Vinnedge, The Estate of	3 770
Total	15 290

Revised 1986 06 23
effective 1986 01 01

PRINCE GEORGE TIMBER SUPPLY AREA (Cont'd)

Timber Sale Licences

(Former Prince George SSA)

Licensee	Approved AAC in m^3	
A. F. Bertschi	1 840	E
Balfour Forest Products Inc.	10 480	E
Blackwater Construction Co. Ltd.	13 650	W
M. Buday	570	
Canadian Forest Products Ltd.	23 950	
A. Moldowan	11 160	
Norbraten Bros. Lumber Ltd.	650	
Northwood Pulp & Timber Ltd.	88 310	
E. V. Palley	4 500	
W. Peecock	90	
Prince George Wood Preserving Ltd.	8 320	
R. Rigler	2 780	
Rustad Bros. & Co. Ltd.	22 590	
R. Tutte and G. and S. Schwartz	540	
Total	189 430	

APPENDIX VIII

Award of 75,000 m^3/year Forest Licence to Carrier Lumber.

Province of British Columbia **Ministry of Forests** **Forest Service**

1011-4th Avenue
Prince George, B.C.
V2L 3H9

May 15, 1984

✓File: 700-6-2-24 ~~700-2-6-24~~

Carrier Lumber Ltd.
#203 - 1717 Third Avenue
Prince George, B.C.
V2L 3G7

Dear Sirs:

To help clarify the question of how the 75000 m^3 from Forest Licence A17843 should be dealt with in the Prince George T.S.A. Planning process, I offer the following comments.

Forest Licence A17843 was awarded on the basis that the initial five year development in Hurtubise and Indianpoint Creeks was a firm commitment. After that initial five year period your operating areas were made subject to the T.S.A. Planning process.

The designation of operating areas (licensee planning areas) involves many factors one of which is traditional history.

You have developed a tradition of harvest for the 280,300 m^3 now authorized under Forest Licence A18158, including as it does the original 75000 m^3 from F.L. A17843, which I am prepared to recognize in any discussion/review/arbitration of licensee planning areas such as I would for any of the other licencees in the Prince George T.S.A. for the areas over which they have a tradition of harvest.

To put it another way I do not differentiate between your original harvesting rights under F.L. A18158 and those under F.L. 17843 in as much as they both contribute to your traditional history of operations.

Yours truly

M. J. Wilkins
Regional Manager

MJW/hp.

Province of British Columbia
Ministry of Forests
FOREST SERVICE

MEMORANDUM

①

.8

Mr. M. J. Wilkins
Regional Manager
Prince George

From: A. C. MacPherson

Date: November 3, 1982

File: A17843

Re: Applications for Forest Licence A17843

I have evaluated the above applications for Forest Licence A17843 and find the Carrier Lumber Ltd. bonus bids are not only the largest, but they also meet the requirements of Section 11(4) of the Forest Act. I therefore approve their application and direct you to enter into a Forest Licence agreement with Carrier Lumber Ltd.

One of the stipulations of Carrier's $2,320,000.00 bonus bid was continuous cutting rights in their preferred operating areas, a condition that we cannot meet. Therefore, we must accept their $1,405,000.00 bonus bid and honour their preferred operating areas, namely Hurtubise Creek and Indianpoint Creek, as outlined in their bid proposal for the first 5 year period.

After the initial 5 year period, they will be subject to the 20 year T.S.A. plan as being drawn up by you and your staff.

A. C. MacPherson
Deputy Chief Forester

1450 Government Street
Victoria, British Columbia
V8W 3E7

November 3, 1982

File: A17843

Carrier Lumber Ltd.
203 - 1717 Third Avenue
Prince George, B. C.
V2L 3G7

ATTENTION: Mr. William Kordyban
President

Dear Sir:

Re: Application for Forest Licence A17843

I wish to advise that your application, with the $1,405,000.00 bonus bid, for the 75 000 m^3 Forest Licence A17843, meets the requirements of Section 11(4) of the Forest Act and is accepted.

We are prepared to accept your preferred operating areas, namely Hurtubise and Indianpoint Creeks, for the first 5 year development plan period. After that period, operating areas will be subject to the Regional Manager's 20 year Timber Supply Area plan, as will your neighbours.

Yours truly,

ORIGINAL SIGNED

A. C. MacPherson
Deputy Chief Forester

ACM/mmn

cc: Mr. J. Juhasz
Timber Management Branch

cc: Mr. M. J. Wilkins
Regional Manager
Prince George

Province of British Columbia
Ministry of Forests
Forest Service

9

1011-4th Avenue
Prince George, B.C.
V2L 3H9

May 15, 1984

700-6-2-24
✓File: ~~700-2-6-24~~

Carrier Lumber Ltd.
#203 - 1717 Third Avenue
Prince George, B.C.
V2L 3G7

Dear Sirs:

To help clarify the question of how the 75000 m^3 from Forest Licence A17843 should be dealt with in the Prince George T.S.A. Planning process, I offer the following comments.

Forest Licence A17843 was awarded on the basis that the initial five year development in Hurtubise and Indianpoint Creeks was a firm commitment. After that initial five year period your operating areas were made subject to the T.S.A. Planning process.

The designation of operating areas (licensee planning areas) involves many factors one of which is traditional history.

You have developed a tradition of harvest for the 280,300 m^3 now authorized under Forest Licence A18158, including as it does the original 75000 m^3 from F.L. A17843, which I am prepared to recognize in any discussion/review/arbitration of licensee planning areas such as I would for any of the other licencees in the Prince George T.S.A. for the areas over which they have a tradition of harvest.

To put it another way I do not differentiate between your original harvesting rights under F.L. A18158 and those under F.L. 17843 in as much as they both contribute to your traditional history of operations.

Yours truly

M. J. Wilkins
Regional Manager

MJW/hp

APPENDIX IX

Merging of the Carrier new purchase to traditional quota.

Province of
British Columbia

Ministry of
Forests

10.

1011 - 4th Avenue
Prince George, B.C.
V2L 3H9

January 8, 1986

File: 700-6-2-24

Mr. Brian LaPointe
Woodlands Manager
Carrier Lumber Ltd.
203-1717 Third Avenue
Prince George, B.C.
V2L 3G7

Dear Sir:

Subject: P.G.T.S.A. 20-Year Planning Areas

I have for reply your letter dated December 20, 1985.

On December 16, 1985 by letter to all licensees in the Prince George T.S.A. I approved the allocation of 20-year planning areas. Previous to this I had verbally advised you of the Ministry's final decision relative to the allocation of planning cells.

At my meeting on December 20, 1985 with the P.G.T.S.A. Steering Committee I again confirmed that the decisions as summarized in my letter of December 16, 1985 were final. I most emphatically confirm once more that the decisions made relative to 20-year planning areas are final and form the basis for the initial T.S.A. Plan and Licensee Management and Working Plans.

Your letter infers that the plan is both improper and inequitable. I strongly disagree. Over the last year and a half the Ministry has addressed your concerns and amended the 20-year planning area proposal accordingly. I sincerely regret that these amendments do not meet with your approval. They are, in my opinion, both proper and equitable and thus not subject to further review.

At my meeting with the T.S.A. Committee on December 20 I announced that the majority of Management and Working Plans had been approved. I can confirm that this is the case and that there are no grounds for cancellation of existing approvals or postponement of any outstanding plans. Subsequent approval of development plans and cutting permits will receive District Manager attention as appropriate.

/.....2

APPENDIX X

Requested approval of planning process
by Ministry of Forests and Lands.

Acceptance of T.F.L. offers are beyond my jurisdiction and any concern you have in this regard must be addressed to the appropriate authority.

Yours truly,

M.J. Wilkins
Regional Manager

MJW/hac

!cc: Prince George West. Copy letter December 30, 1985 attached.
!cc: Prince George East. Copy letter December 30, 1985 attached.
!cc: Vanderhoof. Copy letter December 30, 1985 attached.
!cc: Ft. St. James. Copy letter December 30, 1985 attached.
!cc: P.G.T.S.A. Committee,
! c/o Al Nevison,
! I.F.S., Prince George.
!cc: W.C. Cheston, Assistant Deputy Minister, Operations, Victoria.
!cc: H. Willis, Planning Officer, Prince George.
!cc: L. Merkel, Timber Officer, Prince George.
!cc: file
!cc: typing file
!cc: 0234B

APPENDIX XI

Letters from B.C.F.S. to carrier with instruction re: cedar quota.

11

Province of
British Columbia

OFFICE OF THE MINISTER

Ministry of
Forests

Parliament Buildings
Victoria
British Columbia
V8V 1X4

EXPO 86

c. Jim
c. WK.
c. Brian
c [illegible]

July 29, 1986.

File: A17796
870-2-24 Carrier Lumber Ltd.

Ms. Valerie A. Kordyban,
Executive Officer,
Carrier Lumber Ltd.,
203 - 1717 Third Avenue,
Prince George, B.C.
V2L 3G7

Dear Ms. Kordyban:

I refer to your letter dated April 29, 1986 regarding operations under Forest Licence A17796 in the Prince George Timber Supply Area.

In consideration of your salvage activities in Spruce Balsam over the past 3 1/2 years, a degree of compromise in regard to cedar operations under A17796 is in order. It should nonetheless be recognized that, over the same period, very little has apparently been done to assess the feasibility of a cedar operation.

The Ministry is prepared to authorize harvesting in Spruce Balsam for two further years, i.e., 1987 and 1988, under normal annual and periodic cut control provisions to allow time for experimental sawing and feasibility studies to be carried out.

Any cedar operations that are contemplated by your company must adhere to point No. 4 of the former Minister's letter to you of December 8, 1982.

/2

AUG 19[illegible]
RECEIVED

The foregoing arrangement is both fair and equitable in consideration of your efforts in Spruce Balsam salvage and in comparison to other licensees in similar situations.

Yours very truly,

Jack Heinrich,
Minister of Forests.

APPENDIX XII

Signature of licensees commitment to obtain a portion of their cut from the Takla/Sustut areas.

564-4115 12

PRINCE GEORGE T.S.A. COMMITTEE

#101-1595 Fifth Avenue,
Prince George, B.C. V2L 3L9

May 17, 1984
File 700-6-2-24

Regional Manager
Ministry of Forests
1011 Fourth Avenue,
Prince George, B.C.
V2L 3H9

Attention: Mr. M. Wilkins

Dear Sir:

Re: B.C.R. and Takla-Sustut Areas

At a meeting held on Monday May 14th 1984 the majority of the members of the Prince George T.S.A. Committee made a decision on the Takla-Sustut areas tributary to the B.C.R.

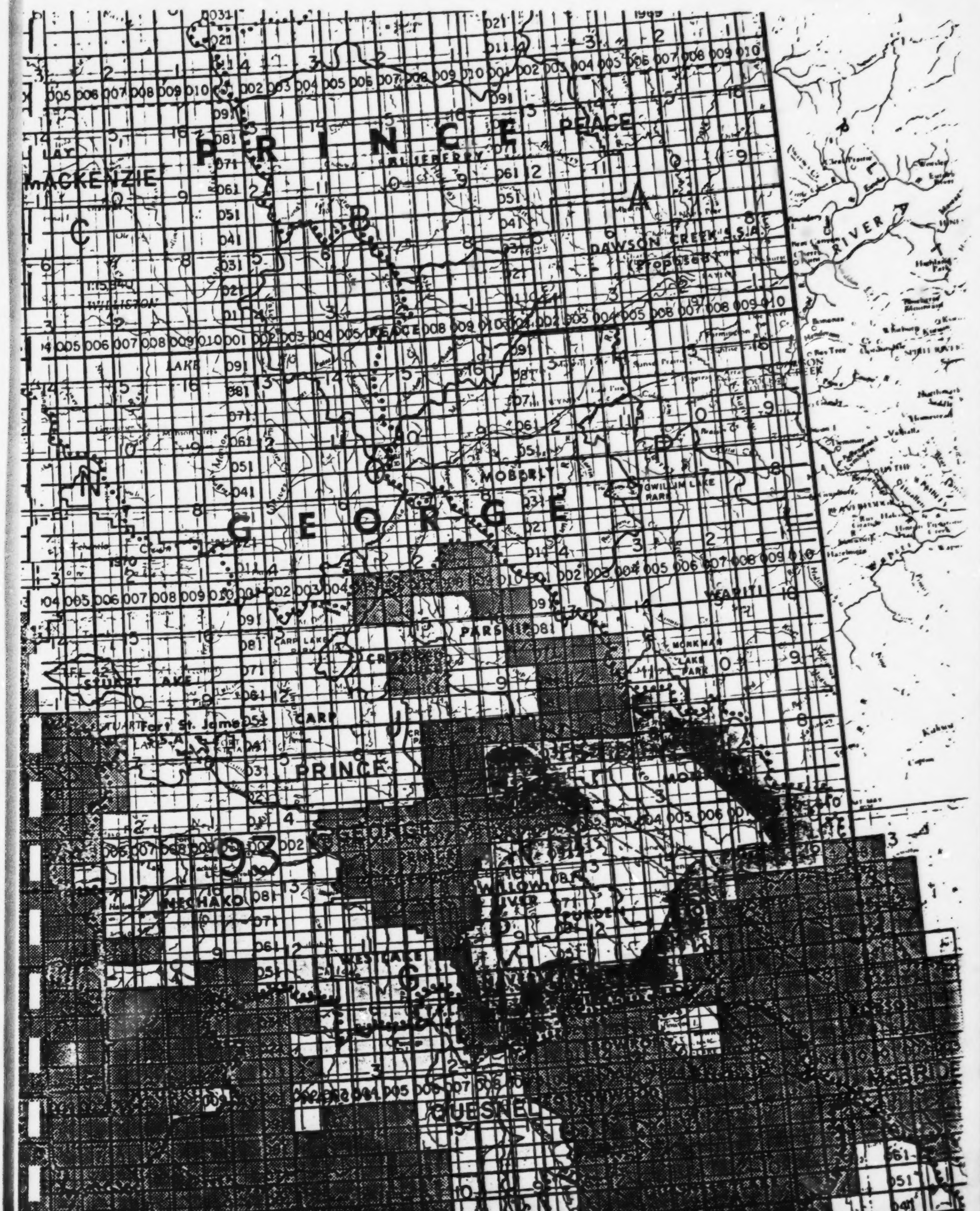
"Based on the premise that the B.C.R. will be funded and made operational the following Licensees make a commitment that to protect the Annual Allowable Cut of the Prince George T.S.A. they will harvest or have harvested on their behalf their share of the volume tributary to the B.C.R.".

The Licensees listed below agreed to the above decision.

	Apollo Forest Products Ltd.	
✓	Balfour Forest Products Inc.	
✓	Carrier Lumber Ltd.	
	Domtar Chemicals Ltd.	
✓	Dunkley Lumber Ltd.	
	Eurocan Pulp & Paper Co. Ltd. (Fraser Lake Division)	Tom
	Lakeland Mills (1973) Ltd.	
✓	L & M Lumber Ltd.	Wayne
✓	Northwood Pulp and Timber Ltd.	Lowell Johnson
✓	Rustad Bros. & Co. Ltd.	
	Stuart Lake Lumber Co. Ltd.	
✓	Takla Forest Products Ltd.	
	The Pas Lumber Co. Ltd.	
	Weldwood of Canada Ltd.	
✓	West Fraser Mills Ltd.	

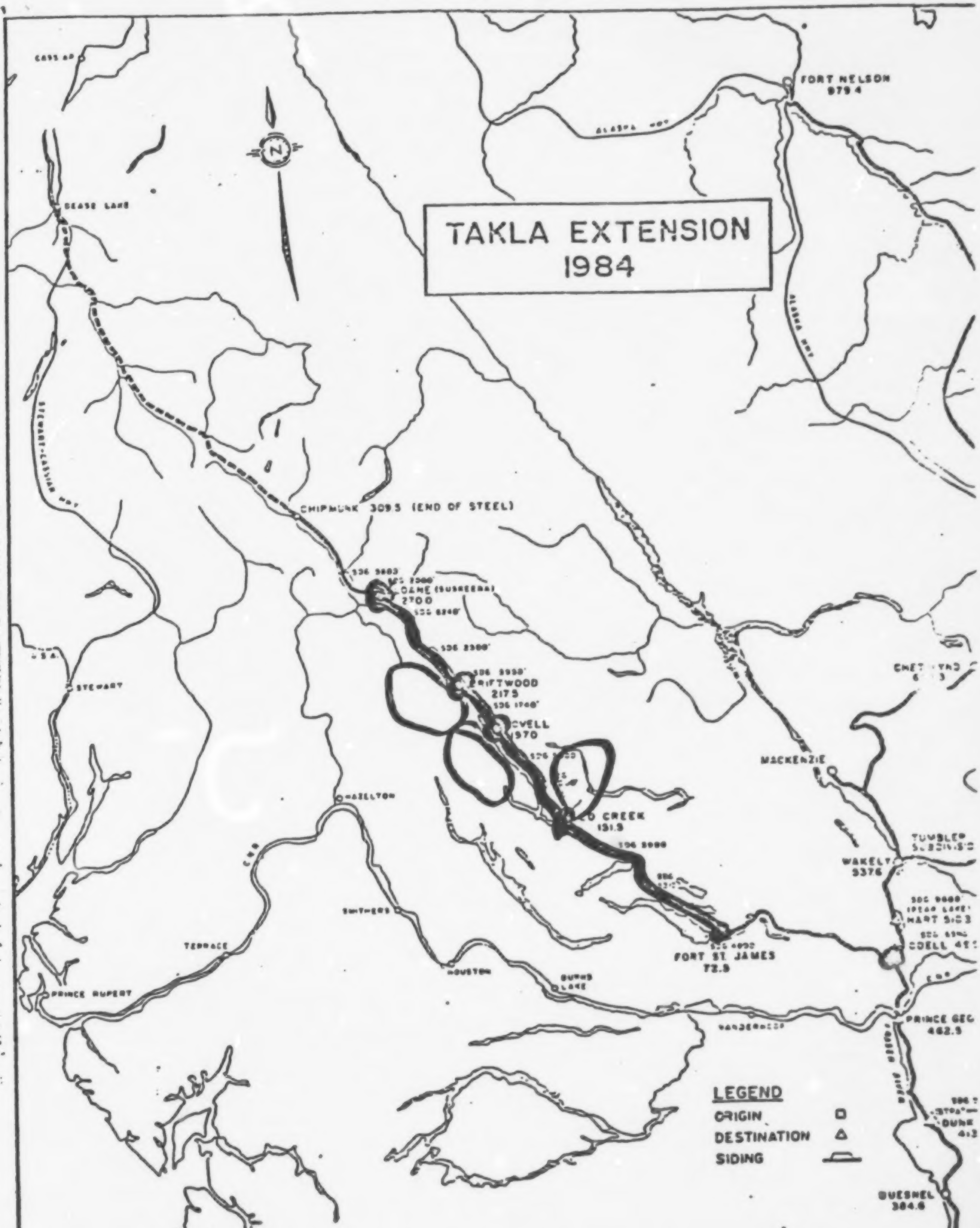
APPENDIX XIII

Areas of priority for inventory mapping.


PRINCE
PEACE
MACKENZIE
WILLISTON
LAKE
DAWSON CREEK S.S.A.
(Proposed)
RIVER
MOBERLY
GWILLIM LAKE PARK
GEORGE
WAPITI
PARSNIP
CROOKED
CARP LAKE PARK
MONKMAN LAKE PARK
STUART LAKE
Fort St. James
STUART LAKE S.A.
CARP
PRINCE
GEORGE
93
NECHAKO
WILLOW RIVER
PURDEN
WESTLAKE
QUESNEL
McBRIDE
A
B
C
D
E
F
G
J
K
N
O
1969
1970

APPENDIX XIV

B.C. Rail line north of Fort St. James.



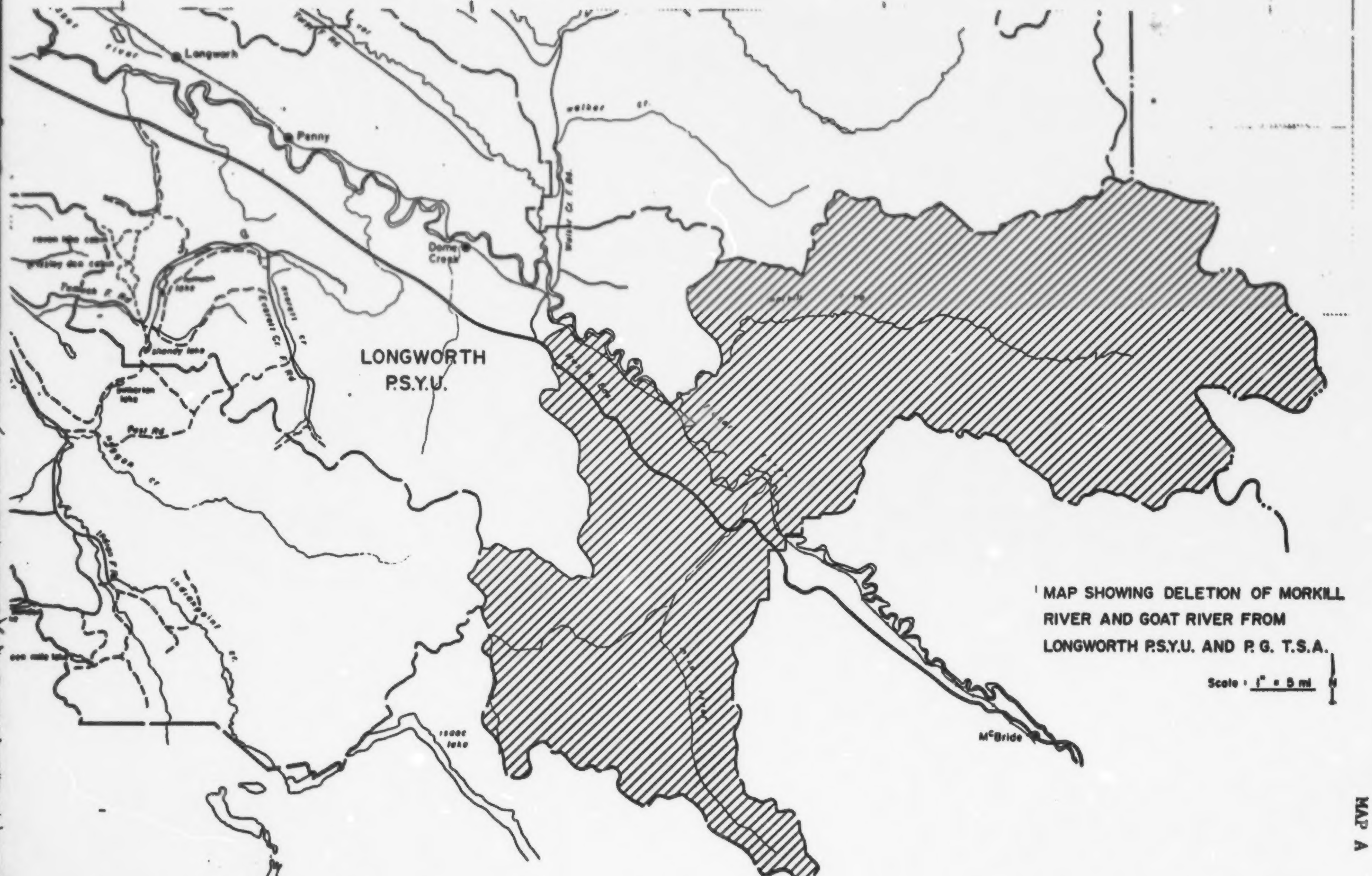
TAKLA EXTENSION
1984

FORT NELSON
979.4
ALASKA HWY
DEASE LAKE
STEWART-CASSIAR HWY
CHIPMUNK 309.5 (END OF STEEL)
DANE (SUSKEENA)
2700
DRIFTWOOD
2175
1970
CREEK
131.5
FORT ST. JAMES
72.5
STEWART
HAZELTON
SMITHERS
TERRACE
PRINCE RUPERT
HOUSTON
BURNS LAKE
CNR
MACKENZIE
TUMBLER SUBDIVISION
WAKELY
537.6
HART
PRINCE GEO
462.5
FRASER RIVER
DUNE
QUESNEL
384.6
LEGEND
ORIGIN □
DESTINATION △
SIDING

APPENDIX XV

Area maps.

MAP A

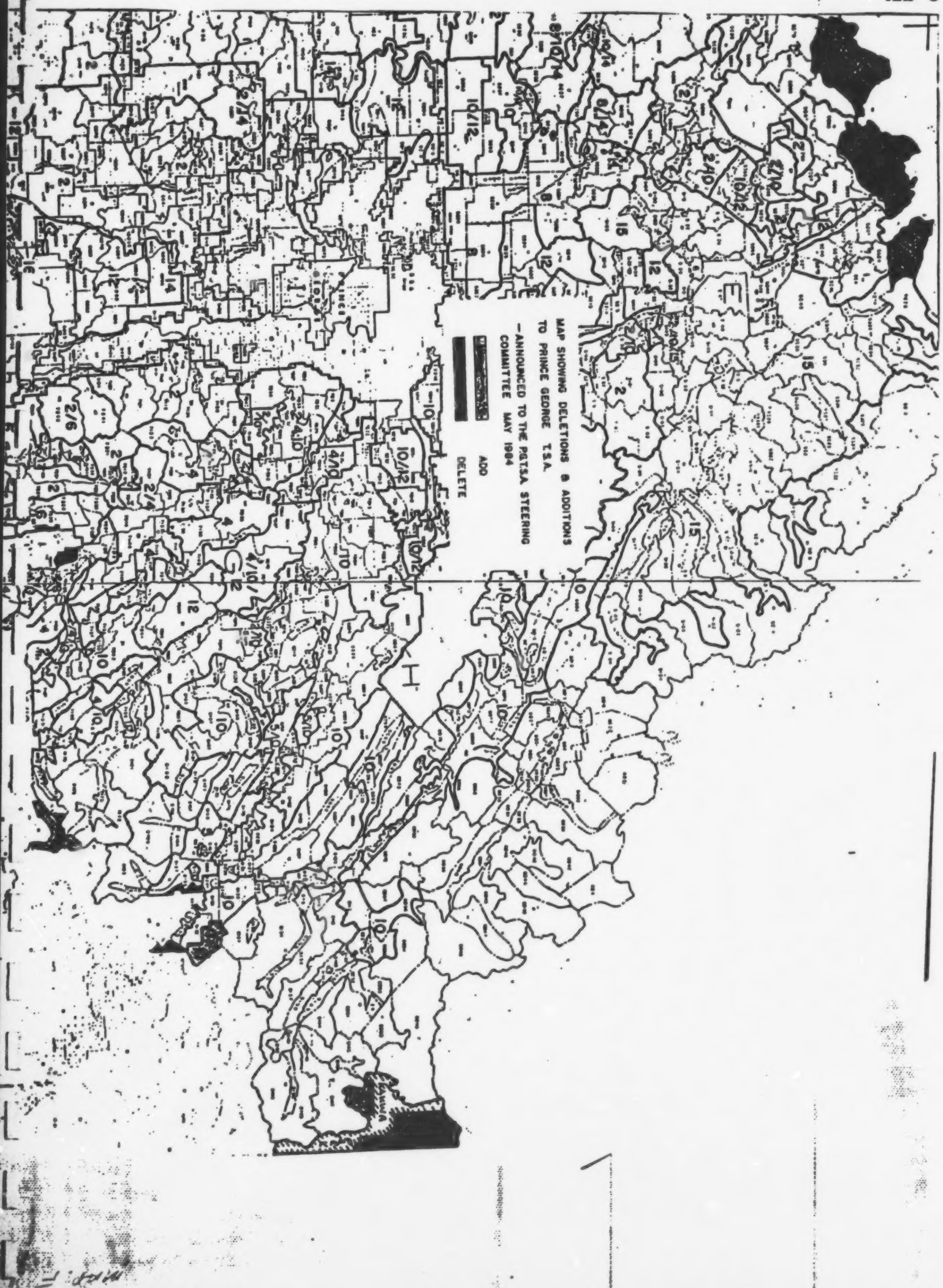


MAP SHOWING DELETION OF MORKILL RIVER AND GOAT RIVER FROM LONGWORTH P.S.Y.U. AND P.G. T.S.A.

Scale : 1" = 5 mi

LONGWORTH P.S.Y.U.
Longworth
Penny
Dome Creek
McBride
river
walker cr.
Walker Cr. F. Rd.
Everett Cr. F. Rd
everett cr
Post Rd
cr
indianpoint cr.
isaac lake
lake
N

MAP C



MAP SHOWING DELETIONS & ADDITIONS TO PRINCE GEORGE T.S.A.
—ANNOUNCED TO THE P.G.T.S.A STEERING COMMITTEE MAY 1984

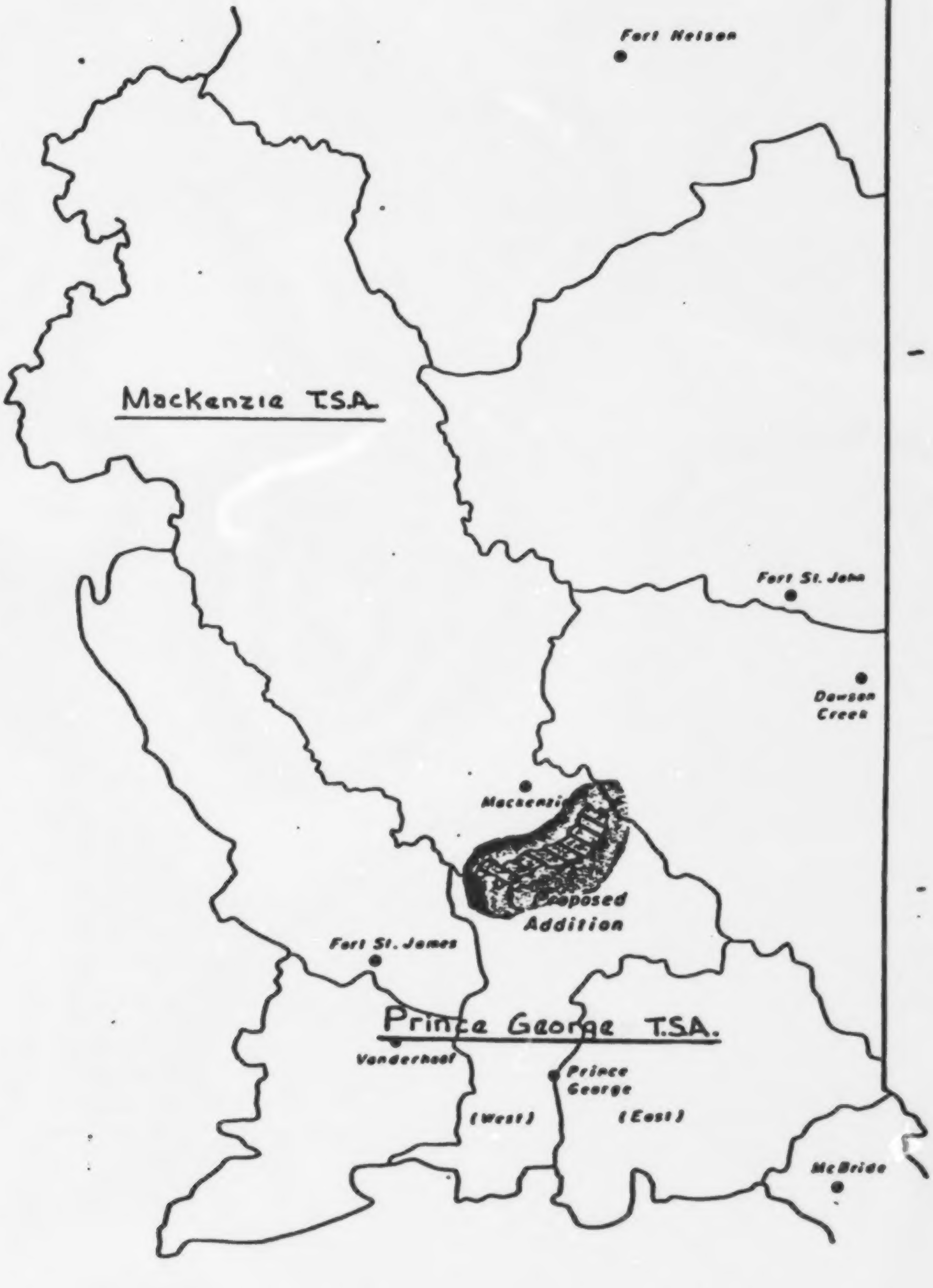
▨ ADD
■ DELETE
E
H
I
G

APPENDIX 8

MAP D

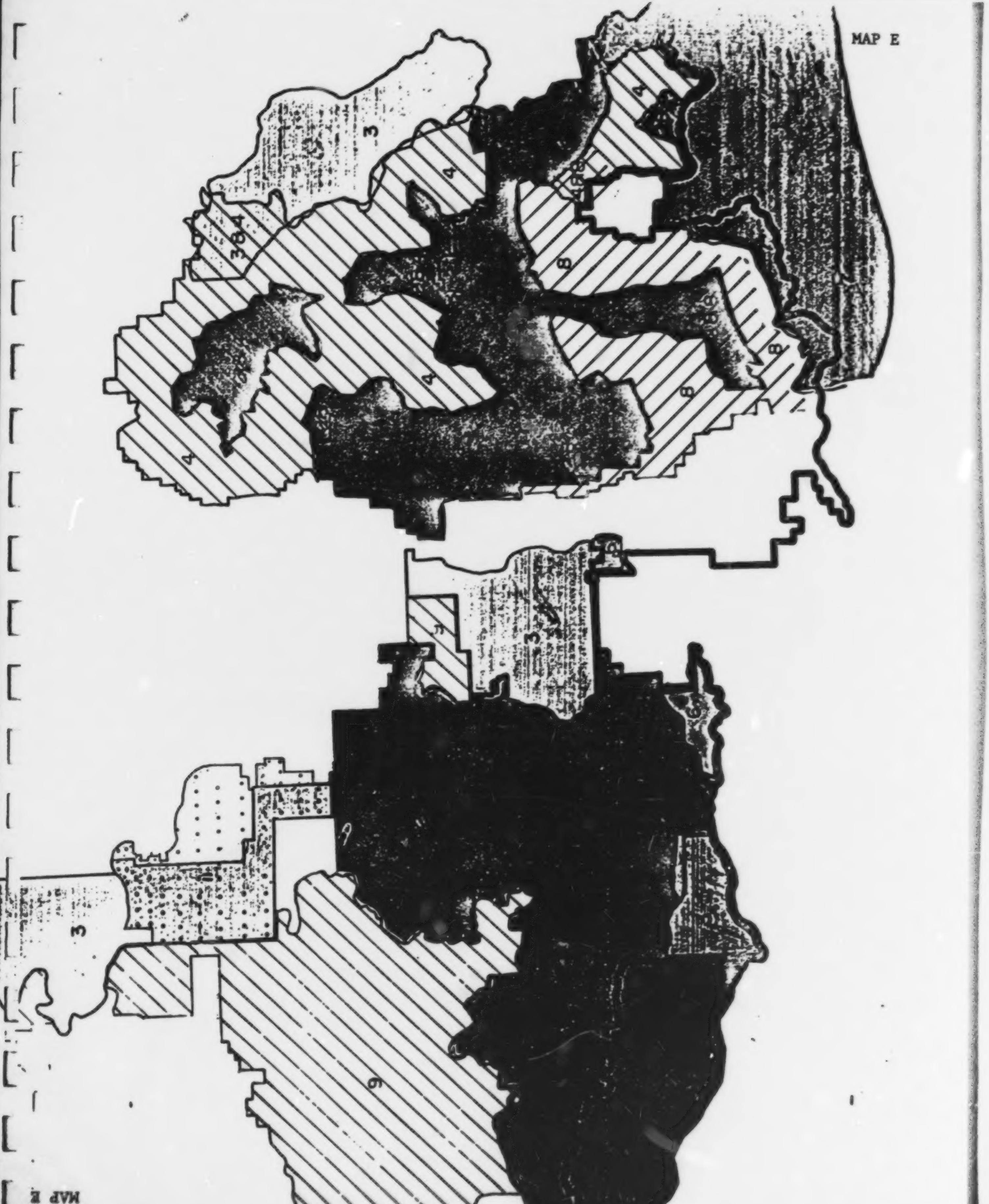
Mackenzie and Prince George T.S.A.'s

Showing Addition to Mackenzie T.S.A.


Fort Nelson
Mackenzie T.S.A.
Fort St. John
Dawson Creek
Mackenzie
Proposed Addition
Fort St. James
Prince George T.S.A.
Vanderhoof
Prince George
(West)
(East)
McBride

SCALE 1 : 3,500,000 (APPROX.)

MAP E


3
4
3&4
4&8
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8
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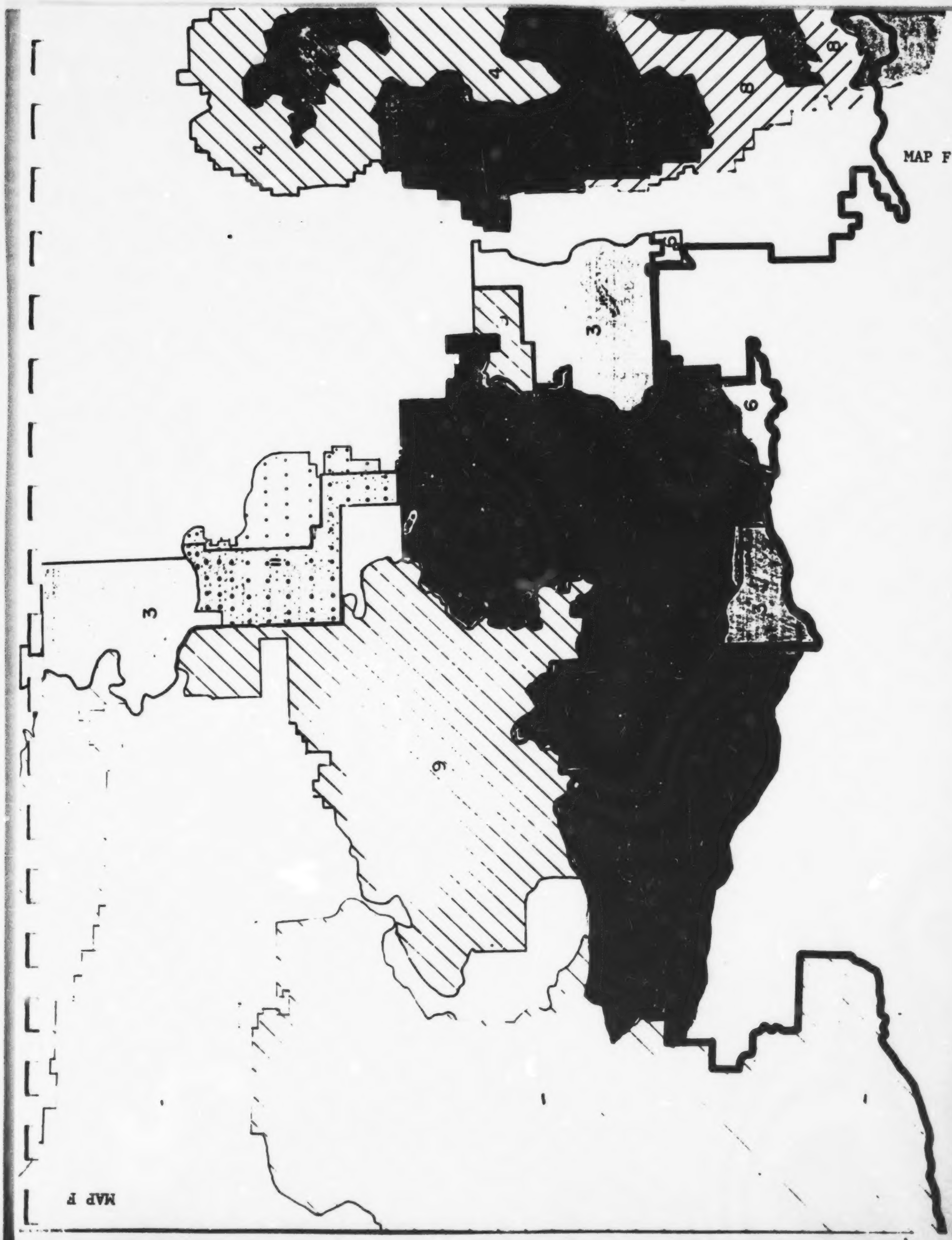
3
6
9

MAP E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3
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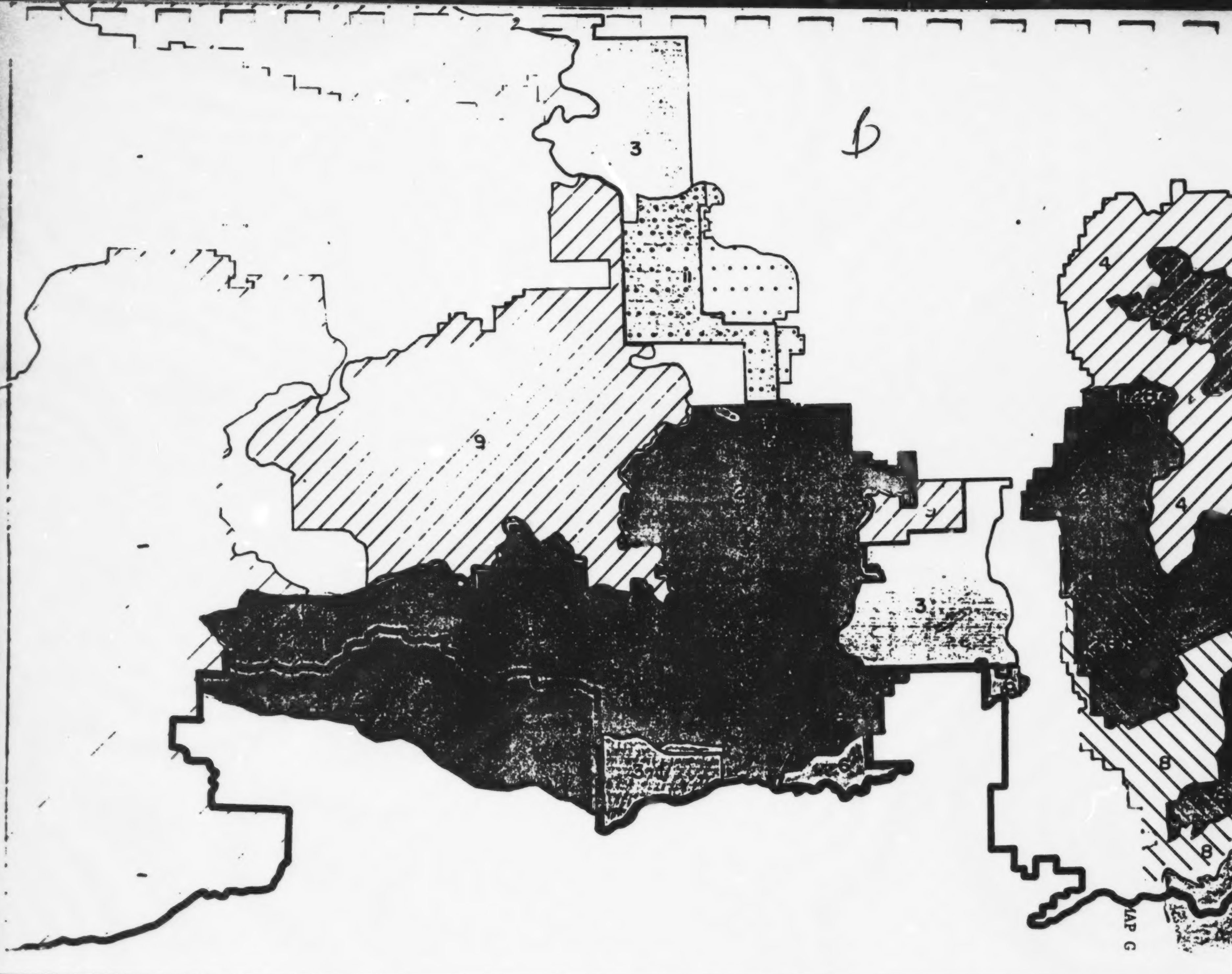
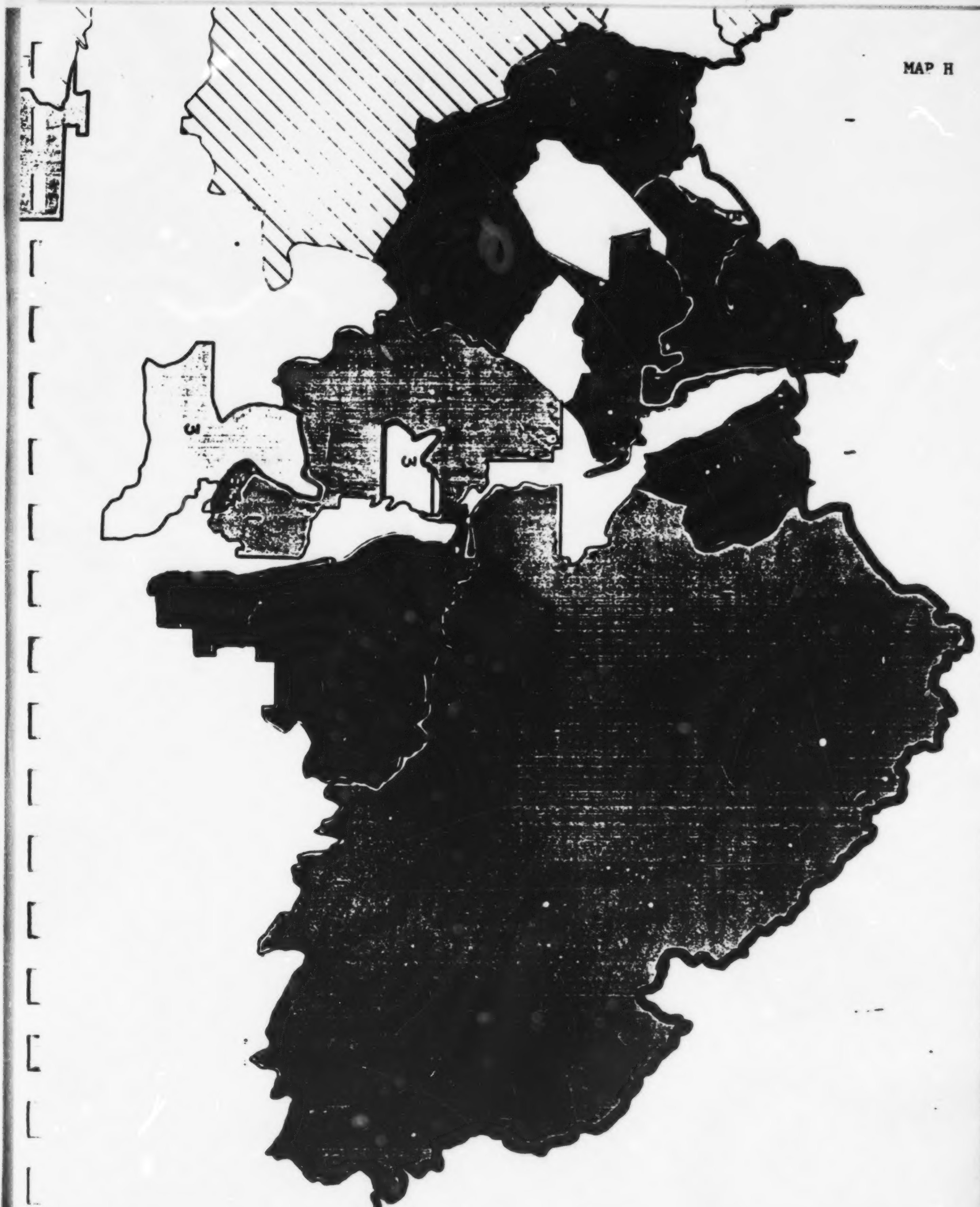
MAP F

MAP F


b
3
11
9
3
4
4
8
8
MAP G

MAP H



APPENDIX XVI

Additional cut allowed to Rustad
within Prince George (East) district on T.S.A. Plan #1.

Table 5. Projected 20-Year Harvested Volumes by Forest District, Licensee and SBEP (cont'd.)

Forest District	Licensee and SBEP	Volume (000's m^3)		Total
		1986-1990	1991-2005	
Prince George West	Rustad Bros.	1 447	4 008	5 455
	Northwood Pulp	408	3 008	3 416
	Balfour	3 764	12 567	16 331
	Lakeland Mills	1 293	4 854	6 147
	The Pas Lumber	2 948	11 025	13 973
	Takla	881	3 458	4 339
	Weldwood	103	351	454
	Woodland Lumber	60	0	60
	FL Subtotal	10 904	39 271	50 175
	SBEP in FL Operating Areas	329	1 167	1 496
	SBEP Operating Areas	686	3 989	4 675
	District Subtotal	11 919	44 427	56 346
Prince George East ORIGINAL A.A.C. 95/YR	West Fraser Mills	(35) 174	(35) 582	756
	Rustad Bros.	170/YR 853	191/YR 2 863	3 716
	Dunkley Lumber	812	2 790	3 602
	Balfour	(548) 2 738	(455) 6 831	9 569
	Carrier (Whitewood)	(310) 1 550	(310) 4 691	6 241
	Carrier (Cedar)	(90) 451	(90) 1 452	1 903
	Northwood	(1397) 6 987	(1095) 16 482	23 469
	Prince George Wood Preservers[1]	(120) 600	900 (5 YRS @ 120)	1 500
	FL Subtotal	14 165	36 591	50 756
	SBEP in FL Operating Areas	800	2 110	2 910
	SBEP Operating Areas	2 292	2 101	4 393
	District Subtotal	17 257	40 802	58 059

120!

---

(1) Although the location of FL A27771 in the last 5 years of the licence term is subject to the Regional Manager's discretion, for this TSA Plan, the volume is shown to be located in the Prince George East Forest District over the years 1991-2005.

Table 5. Projected 20-Year Harvested Volumes by Forest District, Licensee and SBEP (cont'd.)

Forest District	Licensee and SBEP	Volume (000's m^3)		Total
		1986-1990	1991-2005	
Prince George West	Rustad Bros. Northwood Pulp Balfour Lakeland Mills The Pas Lumber Takla Weldwood Woodland Lumber	1 447 408 3 764 1 293 2 948 881 103 60	4 008 3 008 12 567 4 854 11 025 3 458 351 0	5 455 3 416 16 331 6 147 13 973 4 339 454 60
	FL Subtotal	10 904	39 271	50 175
	SBEP in FL Operating Areas SBEP Operating Areas	329 686	1 167 3 989	1 496 4 675
	District Subtotal	11 919	44 427	56 346
Prince George East ORIGINAL A.A.C. 95/YR	West Fraser Mills Rustad Bros. Dunkley Lumber Balfour Carrier (Whitewood) Carrier (Cedar) Northwood Prince George Wood Preservers[1]	(35) 174 170/YR 853 812 (548) 2 738 (310) 1 550 (90) 451 (397) 6 987 (120) 600	(35) 582 191/YR 2 863 2 790 (455) 6 831 (310) 4 691 (90) 1 452 (1095) 16 482 900 (5 YRS @ 120)	756 3 716 3 602 9 569 6 241 1 903 23 469 1 500
	FL Subtotal	14 165	36 591	50 756
	SBEP in FL Operating Areas SBEP Operating Areas	800 2 292	2 110 2 101	2 910 4 393
	District Subtotal	17 257	40 802	58 059

(1) Although the location of FL A27771 in the last 5 years of the licence term is subject to the Regional Manager's discretion, for this TSA Plan, the volume is shown to be located in the Prince George East Forest District over the years 1991-2005.

APPENDIX XVII

Volume apportionment to Takla/Sustut.

= 17

December 15, 1986

PROPOSED LICENSEE COM~~MITMENT~~ TO B.C.R ~~TAKLA~~
~~By 1991~~

	P.G. T.S.A. 1986 A.A.C. m3/year	B.C.R. Takla Prior #4 Commitment	B.C.R. Takla 1991 #1 Adjustment
pollo Forest Products	232,560		13,136
Balfour & Domtar	1,343,150	243,960 2.1%	62,085
arrier - Old	205,300		11,596
- New	75,000		4,236
- Cedar ②	~~82,918~~		
unkley	167,380		9,454
urocan & Domtar	287,770		16,254
L & M Lumber	50,720		2,865
akeland & Domtar	281,490		15,900
orthwood	1,301,160	147,310	65,173
The Pas Lumber	645,430		36,456
Rustad Bros. & Co. Ltd.	467,530	128,450	19,152
Stuart Lake Lumber	212,440		11,999
Takla Forest Products	1,070,240		60,450
Weldwood	21,390		1,208
West Fraser	34,700		1,960
Westar & Domtar	706,120		39,884
P.G. Wood Preserving	150,000		8,472
Woodland Lumber #3	30,000		
	7,364,690	519,720	380,280

900,000 S.P.

* 1 - Based on A.A.C.'s of all Licensees after a deduction has been made to Balfour's, Northwood's and Rustad's for their ~~prior commitment~~ to the B.C.R. Takla.

* 2 - Assumes "~~Cedar~~" restricted to ce~~dar types~~.

* 3 - Assumes the "Woodland" License will ~~not be renewed~~.

* 4 - The "~~Traditional Takla Volumes~~" used by the M.O.F. April 3, 1984 in their Proposed Guidelines for Location of Licensee 20 Year Planning Areas.

PRINCE GEORGE TIMBER SUPPLY AREA BY P.S.Y.U.

LICENSEE ANNUAL ALLOWABLE CUTS (APPROXIMATE APPORTIONMENT)

1979 AND UPDATED TO 1983 FOR MERGERS AND NEW LICENCES

(Volume m^3)

	Apportion-ment T.S.A. Vol/m^3	Big Valley	Carp	Crooked	Kluskus	Longworth	Monkman	Navor	Nechako	Ootsa	Parsnip	Purden	Stuart	Takla	Westlake	Willow	New Licen
APOLLO	232,560													232,560			
BALFOUR	1,333,150	97,660	52,630	159,910		112,100		172,720	110,150		52,330			358,100	224,240	93,310	
BC TIMBER	686,120				149,830				432,600	103,690							
CARRIER	280,150	26,850														178,300	75,0
(Farwest)	82,310					82,310											
DOMTAR	52,130								52,130								
DUNKLEY	167,380	68,180	7,590					85,110			6,500						
FRASER LAKE	274,640								274,640								
L & M LUMBER	50,490								490								50,0
LAKELAND	272,490		143,960						128,530								
NORTHWOOD	1,301,160		51,350			330,260	375,600		51,350			322,940		154,050		15,610	
RUSTAD	467,530		31,780	116,690		10,940			17,010			83,850		128,730	78,530		
STUART LAKE	212,440												212,440				
TAKLA	1,070,240		316,070						225,480				353,230	102,670	72,790		
THE PAS	645,430		91,990	159,760							393,680						
WELDWOOD	21,390														21,390		
WEST FRASER	34,700	8,580						26,120									
TOTALS	7,184,310	201,270	695,370	436,360	149,830	535,610	375,600	283,950	1,292,380	103,690	452,510	406,790	565,670	876,110	396,950	287,220	125,

NOTE: This summary does not show Licensee A.A.C. transfers since 1979 from one P.S.Y.U. to another that have been recognized by the Ministry of Forests.

PSYU'S THAT FORM THE P.G. EAST DISTRICT

83,850
10,940
94,790

P.G.(E)

APPENDIX XVIII

Silvicultural funding by area 1986/1987.

Silviculture Programs Year 86

Bill Ew.

Program / Activity	Province		Prince George Region		Prince George T.S.A.		P.G. East District		P.G. West District		Vanderhoof District		Ft. St. James District	
	Goals (ha)	Dollars	Goals (ha)	Dollars	Goals (ha)	Dollars	Goals (ha)	Dollars	Goals (ha)	Dollars	Goals (ha)	Dollars	Goals (ha)	Dollars
Basic - MOF Planting (ha) trees (000's)	Basic - All Programs 109,386 136,000		1,853 2,405	693,232	748 1,050	← → 244,566	748 1,050	244,566	—	—	–	–	—	–
Site Prep	125,000		402	100,410	238	44,270	188	35,720	50	8,550	–	–	—	–
B+W	25,000		2,172	788,200	1,110	343,706	310	63,000	200	64,055	–	–	600	216,651
Surveys	260,000		31,700	311,750	21,500	187,387	7,000	66,500	2,500	17,812	7,000	65,075	6,000	38,000
Cones	1990 h/s				175	53,000					75 h/s	18,000	100 h/s	35,000
Sub-total				1,763,592	← ½ →	922,929	← ½ →	458,786		90,417		83,075		289,651
BASIC-SBEP Planting (ha) trees (000's)			3,187 4,288	← 2/3 → 952,150	2,366 3,233	← 3/4 → 724,060	1,724 2,328	558,720	481 700	127,840	60 84	12,500	101 121	25,000
Site Prep			4,333	892,230	3,421	627,120	2,140	407,800	540	97,800	486	59,720	255	61,800
B+W			300	58,000	300	59,000	100	39,000	200	29,000	–	–		
Surveys			3,434	31,150	2,025	19,050	500	6,000	1,200	11,250	325	2,800		
Cones			20	5,000										
Sub-total				1,940,000		1,429,230		1,001,520		265,890		75,020		86,800
BASIC-SecBB Planting (ha) trees (000's)			29,413 36,274	8,152,880	17,286 21,470	← Total → 5,082,380	10,000 12,200	2,990,880	3,586 4,350	896,500	1,500 2,020	480,000	2,200 2,900	715,000
Site Prep			40,450	8,081,500	26,350	4,834,500	13,000	2,411,869	5,550	922,632	4,500	675,000	3,300	825,000
B+W			2,601	785,350	1,450	407,500	500	175,000	500	72,500	200	60,000	250	100,000
Surveys			73,600	625,310	44,850	383,400	19,000	142,500	8,650	92,500	10,000	90,000	7,300	58,400
Cones														
Sub-total				18,145,040		10,707,780		5,720,248		1,984,132		1,305,000		1,698,400
F.R.D.A. B+W		1,067,592	938	202,500	160	67,200	—	—	80	33,600	80	33,600	—	—
Planting (ha) trees (000's)		6,194,008	8,902 11,226	2,360,639	4,583 5,780	1,213,800	333 420	88,200	2,205 2,781	584,010	817 1,030	216,300	1,228 1,549	325,290
Spacing		3,347,529	504	317,500	209	131,670	—	—	80	50,400	129	81,270	—	—
Fertilize		2,126,341	412	172,900	938	202,500	—	—	318	71,000	620	131,500	—	—
Conifer Release		383,445	95	40,000	—	—	—	—	—	—	—	—	—	—
Site Rehab		10,775,077	14,252	3,853,533	5,180	1,567,680	615	169,740	2,150	593,400	1,295	357,420	1,620	447,120
Survey		2,838,376	55,091	740,761	31,000	358,262	2,000	41,050	11,000	135,600	10,000	94,550	7,000	87,0[illegible]
Implementation		1,382,079		447,754		160,490		17,910		64,597		39,530		38,453
Sub-total		28,194,387		8,215,587		3,701,602		316,900		1,532,607 — ?		954,170		897,925
All Basic Progs				21,848,632		13,059,139	½ →	7,181,554		2,340,439		1,463,095		2,074,851
Administration				1,547,554		415,824		143,470		95,554		60,758		116,042
TOTAL				34,611,773		17,177,345	½	7,641,934		3,968,600		2,478,023		3,088,018

Silviculture Programs Year 87

* May be increased to 1,800 hectar
+ $540,000

Program / Activity	Province		Prince George Region		Prince George T.S.A.		P.G. East District		P.G. West District		Vanderhoof District		Ft. St. James District	
	Goals (ha)	Dollars	Goals (ha)	Dollars	Goals (ha)	Dollars	Goals (ha)	Dollars	Goals (ha)	Dollars	Goals (ha)	Dollars	Goals (ha)	Dollars
Basic-MOF Planting (ha) trees (000's)	BASIC 129,298 155,000	-All Programs 45,130,885	2,987 3,898	1,003,772	2,162 2,843	731,622	1,888 2,498	638,622	274 345	93,000	–	–	–	–
Site Prep	130,000	26,000K	1,385	349,326	884	188,326	734	164,326	150	24,000	–	–	–	–
B+W	25,000	10,000K	1,225	367,200	893	257,000	–	–	493	97,000	–	–	400	160,000
Surveys	360,000	3,600K	17,475	158,600	8,486	64,600	3,860	29,600	2,040	15,000	–	–	2,585	20,000
Cones														
Sub-total		84,730,885		1,869,398		1,241,548	(x2)→	832,548		229,000		–		180,000
BASIC-SBEP Planting (ha) trees (000's)			2,613 3,431	895,591	2,064 2,743	725,591	1,181 1,594	426,391	500 631	150,000	250 350	96,000	133 168	53,200
Site Prep			3,897	803,504	3,047	571,004	1,418	316,904	550	88,000	620	77,600	459	88,500
B+W			745	249,270	300	125,070	100	59,770	150	50,000	50	15,300	–	–
Surveys			6,500	51,217	4,950	40,717	3,400	29,717	1,550	11,000	–	–	–	–
Cones								–				–		
Sub-total				1,999,582		1,462,382	½(4½)−	832,782		299,000		188,900		141,700
BASIC-SCOBB Planting (ha) trees (000's)			37,298 46,766	11,307,840	21,621 26,955	6,553,200	11,613 14,410	3,542,400	5,008 6,300	1,512,000	2,950 3,673	881,520	2,050 2,572	617,280
Site Prep			42,677	9,120,927	24,650	4,480,127	10,450	1,861,300	5,000	900,000	5,600	840,000	3,600	878,827
B+W			9,878	3,135,300	5,640	1,779,000	3,000	1,050,000	1,500	375,000	680	170,000	460	184,000
Surveys			79,345	646,268	44,626	353,938	17,611	137,688	8,500	62,250	10,315	90,000	8,200	64,000
Cones				–										
Sub-total				24,210,335		13,116,265	− ½ −	6,591,388		2,849,250		1,981,520		1,744,107
F.R.D.A. B+W		2,482,501	1,372	605,150	590	260,190	50	22,050	250	110,250	200	88,200	90	39,690
Planting (ha) trees (000's)		12,644,038	14,252 18,000	4,986,000	5,680 7,173	1,985,800	615 777	215,250	2,150 2,715	750,300	1,295 1,635	453,250	1,620 2,046	567,000
Spacing		8,709,849	2,754	1,823,184	1,350	893,700	100	66,200	450	297,900	600	397,200	200	132,400
Fertilize		4,281,956	3,761	1,041,763	1,825	505,493	175	48,475	600	166,168	750	207,750	300	83,100
Conifer Release		900,000	347	153,021	–	–	–	–	–	–	–	–	–	–
Site Rehab		11,537,400	14,274	4,282,200	7,200	2,160,000	* 800	240,000	2,400	720,000	2,000	600,000	2,000	600,000
Survey		2,598,582	50,000	694,497	26,000	361,137	3,000	41,670	9,000	125,007	7,000	97,230	7,000	97,230
Indemnification		3,123,796		833,501		383,411		41,675		133,360		116,690		91,686
Sub-total - FRDA		[illegible]	+ [illegible]	14,419,316		6,549,731	− 1/10 −	675,320		2,302,985		1,960,320		1,611,106
All Basic Prog's		84,130,885		28,079,315		15,870,148	½	8[illegible],718		3,377,250		2,170,420		2,065,807
Administration				1,819,089		584,452		192,612		155,138		84,952		151,750
TOTAL				44,318,520		23,004,378	÷2	9,124,650		5,835,373		4,215,692		3,878,643

APPENDIX XIX

Case studies of past Bark Beetle infestations.

#19

A CASE STUDY

THE MOUNTAIN PINE BEETLE IN THE EAST KOOTENAYS

J.G. Murray
Vice President, Woodlands
Crestbrook Forest Industries Ltd.
Cranbrook, British Columbia

I am very pleased that the sponsors of this workshop selected the East Kootenays for the meeting and field trip, as this area has been subjected to one of the longest and most severe mountain pine beetle outbreaks in recent history. In the East Kootenays, through trial and error and cooperation of all forest users, we developed an Action Sanitation Salvage and Control Plan, which was too late to provide control in many parts of the Kootenays but could be used as a model for control actions against future outbreaks of mountain pine beetle or, for that matter, any other insect.

Some of the East Kootenay mountain pine beetle attacks could have been controlled, barring unforeseen circumstances, if we had developed our "Five-Year Master Control Plans" prior to the outbreak. None of us recognized the explosive nature of this small insect. I find it ironical that, in British Columbia, we have developed the most modern fire-control plans and suppression organizations, but have not developed comprehensive insect and disease control plans. Perhaps this is because fire is spectacular and the press and public love the excitement attached to it.

If we are to avoid major reductions in allowable cut and social dislocation, we must quickly develop salvage and control plans for all areas, ensure execution of these plans, and ensure adequate funding for access and site rehabilitation.

THE HISTORY AND EXTENT OF ATTACKS IN THE EAST KOOTENAYS

The first attack area was identified by the Canadian Forestry Service in 1966 near the lower end of Elk Creek in the White River drainage, approximately 15 miles southeast of Fairmont. The Service placed a study plot of approximately 80 acres around the attack. This plot was discontinued in 1968. In 1969, the beetle attack spread rapidly along the lower end of Elk Creek to the confluence of Elk Creek and the White River. In about 1970, small groups of attacked trees were found in the middle portion of Elk Creek and, in 1971, in the upper portion of Elk Creek. No master salvage plan was developed and the attack spread at an ever accelerating rate until the beetle was far ahead of salvage attempts in most areas, as it is today.

The second attack area was noted in the Golden Area in 1971 and, like the White River Area, spread in spite of attempts to control it.

The third attack area was in the Flathead Valley in 1975. This attack was identified as spreading from the United States like a wall of fire, with the result that effective control action has been impossible. In some areas, the insect has chewed through the mature timber and is now working on immature timber in the 60-year-old age class, which unfortunately is unmerchantable today.

EXTENT OF MOUNTAIN PINE BEETLE SUSCEPTIBLE STANDS

The four timber supply areas (TSA) in the East Kootenays contain 45 900 000 cubic metres of susceptible mature pine, located on 228 400 hectares. The percentage of pine varies from area to area, and the following figures indicate the various percentages for each timber supply area (the Creston public sustained yield unit [PSYU] is being incorporated into the Kootenay Lake TSA):

Cranbrook TSA:	37%
Invermere TSA:	36%
Golden TSA:	13%
Creston PSYU:	15%

The high percentage of lodgepole pine in the East Kootenay forests, coupled with the fact that lodgepole pine comprises of a very high proportion of the immature stands, is of grave concern, particularly as mountain pine beetle attacks are continuing unabated.

AREA AND VOLUME UNDER ATTACK

The forested area, currently under attack by the mountain pine beetle in the East Kootenays, is startling. The extent of the epidemic in mature pine is as follows:

Timber Supply Area	Volume (m^3)	Area (ha)
Cranbrook	3 500 000	17 500
Invermere	5 400 000	27 000
Golden	120 000	600
Kootenay Lake (east)	45 000	225
Total	9 075 000	45 325

While this acreage is under varying degrees of attack, it amounts to approximately 4 to 5 years of the allowable cut of the East Kootenays!

In addition, it is estimated that more than 20 000 hectares of immature pine are decimated or under attack.

DEVELOPMENT OF A CONTROL PLAN BY THE EAST KOOTENAY INSECT AND DISEASE CONTROL COMMITTEE

The East Kootenay Insect and Disease Control Committee was re-formed in 1973 to address the rapidly spreading mountain pine beetle outbreaks, through both government and forest industry cooperation. A major goal was to eliminate the misunderstandings and conflicts among forest users. This committee had been formed in 1969 to combat the large spruce bark beetle attacks in the East Kootenays. The committee efforts were recognized as providing the basis for control actions against spruce beetle attacks, which had subsided by 1971.

The committee was broadened in 1973 to include the B.C. Forest Service, forest industry, Fish and Wildlife Branch, Canadian Forestry Service, and recreation (Forest Service) and parks (on occasion). The committee organization included a steering committee and working committees for each of the four timber supply areas. The terms of reference included the "development of master salvage and control plans" for the East Kootenays, within the framework of the allowable cuts for all tenures. It was recognized that overcutting would be required in some tenures, but that, hopefully, this would be offset by undercutting in other areas. The Steering Committee meets semiannually, or more regularly if necessary, to set priorities and guidelines. The Working Committees meet as often as required and are charged with the development of "Five-Year Master Salvage and Control Plans", which I will describe later. Committee accomplishments, direct and indirect, in many different areas, have permitted the preparation of master salvage and control plans.

Utilization Studies for the Committee

The Western Forest Products Laboratory, now Forintek of Vancouver, reported in "Lumber Values and Beetle-Killed Lodgepole Pine" (1976) that, under normal markets, positive conversion returns for manufactured lumber can be obtained until trees start shedding their bark and have severe checking. To ensure positive values, attacked trees should be harvested prior to complete foliage loss, normally within two years of attack. Tree with green or red foliage yielded similar values per cunit of logs with positive conversion returns. Trees with no foliage, but tight bark, also yielded positive returns, but at a lower level. For trees with sloughy bark, the returns were negative. This excellent report has been used by all forest companies for guidance and has been instrumental in stumpage value assessments.

B.C. Forest Service Cooperation

The B.C. Forest Service has encouraged salvage and control by:

- Providing incentives in the stumpage appraisal system by reducing lumber recovery factors, increasing "crash" road construction, planning and logging costs, and allowing salvage rates for specific degrees of attack.

- Giving priority to chart or planning areas and cutting permits.

- Reducing or eliminating the cruising requirements, depending on the degree of attack.
- Preparing intensive fire protection plans because of the extreme fire danger associated with beetle attacks.
- Placing insect foresters in each region.

Cooperation With The Kootenay Steep Slope Committee

The Kootenay Steep Slope Committee is developing guidelines for road and harvesting systems to remove lodgepole pine from sensitive sites on an economic and environmentally sound basis. Logging systems include conventional, mechanical, small tractors, two sizes of light flotation systems, and cable. I would suggest that, with proper planning, supervision, and an optimum combination of equipment, beetle-attacked timber could be salvaged in parks with little, if any, detriment.

Forest Industry Cooperation

The forest industry has played it's part in salvage and control plans by:

- Investing in new equipment for harvesting on critical sites and making mill modifications to utilize lodgepole pine. All companies in the East Kootenays have agreed to utilize 70% of lodgepole pine in their plants, compared to the normal profile of 25%. This has had a definite impact on the profitability of operations.
- Longer hauls have been required, in some cases, at a considerably increased cost. At least one company is hauling lodgepole pine an extra 50 miles.
- Accelerating the planning process and holding planned areas in abeyance because of the outbreaks.
- Accelerating access construction into high-priority areas. Large sums of money have been spent. Previously developed areas have been held in abeyance.

Canadian Forestry Service Surveys

The Canadian Forestry Service, by providing annual and periodic reports on insect intensity and direction of attack, has facilitated plan preparation.

SALVAGE AND CONTROL PLANS FOR STANDS DAMAGED BY INSECTS AND DISEASES

The East Kootenay Insect and Disease Control Committee, through cooperation and implementation of study results, has modified or eliminated many of the hurdles that prevent the preparation of a meaningful salvage and/or control plan. Our plan may not be perfect, but it is an effective "blueprint" for control and/or salvage.

The planning process for a Five-Year Master Salvage Plan includes:

- Identification of all infested and susceptible stands.
- Establishment of priority criteria.
- Identification of priority areas.
- Estimation of affected volumes.
- Estimation of accessible annual allowable cuts versus volumes.
- Establishment of cut volumes for each company.
- Submission to the Steering Committee of the East Kootenay Insect and Disease Control Committee for approval and amalgamation with adjoining timber supply areas.

The preparation of plans for harvesting include:

- Developing access plans for all infested stands and for susceptible stands.
- Establishing data collection requirements (cruise required, logging production information) on each infested stand, together with the Ministry of Forests.
- Recommending post-logging treatments to the East Kootenay Insect and Disease Control Steering Committee, i.e., extra funds required, additional staffing, etc.

- Reviewing performance semiannually or more often, as required, to ensure that objectives of master plans are being met.

- Revising the plan annually, if required.

The Master Salvage Plan update will be completed in January 1982 and will be reviewed shortly after. This plan will include addressing the spruce and balsam beetle attacks, which are now reaching major proportions in the East Kootenays. Heavy emphasis will be placed on site rehabilitation. Areas that require rehabilitating include large areas of mature lodgepole pine that are inaccessible and immature stands that are unmerchantable. If these areas are not treated, there will be a substantial reduction in annual allowable cut.

CONCLUSIONS

Multi Discipline Committees, formed on a federal, provincial and county level, need to develop "Master Control and/or Salvage Plans". The elimination of technicalities and friction points in advance is mandatory, and a full commitment is required to the plan.

Federal and provincial governments must provide substantial funding for access and site rehabilitation. These funds must be allocated on a priority basis within a "Five-Year Master Control or Salvage Plan", otherwise, they will be largely wasted.

Public education and awareness programs must be developed to make everyone aware of the tremendous damage caused to the forest by insects and disease.

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PAPER PRESENTED DECEMBER 5, 1979 AT THE 70TH WESTERN FORESTRY CONFERENCE

I would like to thank the Western Forest Pest Committee for allowing me to express my views on a topic that I consider paramount in Forest Management.

The scope of Forest Pest Management within our private and public lands is a subject that in many cases leads to heated discussions and in many instances out right arguments.

I have been asked to comment on, or illustrate my views within a 20 - 30 minute time limit. The time allotted barely allows one to introduce an overview of the subject, or stir the anger of some Resource Managers.

Why Anger? At the risk of being labelled outspoken, opinionated and perhaps radical, I will take the next 25 minutes to illustrate the frustration that Industrial Foresters and decision makers are faced with in the real situation ------ our INFESTED FORESTS.

The illustration explained is Elk Creek, a tributary of the White River system located in the South Eastern part of British Columbia. The pest is Rocky Mountain Pine Beetle.

The Events

1967 - 1968 -	Environment Canada - Forestry Service investigates and researches approximately 80 acres of heavily infested Lodgepole Pine.
1968 -	Access development progresses into mature pine types adjacent to infested area, research area to be excluded from harvesting.

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The Events - continued

1969 - 1970 - Harvesting plans confined to cut blocks and sequence removal not related to infested types. Expressed industrial concern regarding the extent and spread of the insect attack not accepted by the B.C. Forest Service.

1971 - 1972 - Infestation now epidemic in lower Elk Creek. Cutting restrictions and sequence harvesting requirements eased. Removal of infested stands is increased.

1972 - Provincial change of Government occurs. New policies and philosophy creates sudden slowdown of development and harvesting plans. Beetle infestation continues to spread, Canada Forestry Service predicts major losses will continue.

1972 - 1975 - Numerous meetings, discussions, reports and negotiations result in piecemeal road and harvesting developments. Industry totally frustrated by indecision and inaction by various government agencies. Epidemic situation recorded and continues to spread.

1975 - 1977 - Provincial change of Government occurs. Decision makers within government remain the same, with previous government policies and philosophies remaining. Beetle infestation continues to spread at alarming rates, now covers in excess of 10,000 acres of mature pine within the Elk Creek drainage.

1977 - 1979 - B.C. Forest Service approves development and harvesting plans for the Elk Creek drainage. Many Lodgepole Pine types now classified as dead useless and by-passed.

Simply, it is not possible to fully explain industry's position nor the position of the various Resource Managers during the past 10 years. However, the position the Rocky Mountain Pine Beetle has taken is clear.

In addressing the topic Alternative Actions and the specific questions suggested, my comments are:

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1) A clear, factual understanding of the pest problem and the development of a Master Plan must be undertaken and implemented with the co-operation of all Resource Managers. The B.C. Forest Service must assume the lion's share of management responsibilities and be accountable for their decisions.

2) The expertise within government agencies and the Forest companies have the tools and techniques to develop and implement a Master Plan. However, approval of developed plans and the necessary actions required to put the plans onto stream requires the co-ordinated efforts of both the government and industrial sector.

3) Is there enough research? Is research disseminated? I believe we have sufficient research data. However, the use of the available data in the formation of Long Term Management Goals is not evident. Further, if there does exist a scattering of research, the situation is confused by the simple factor of two governments being involved.

4) Unfortunately, there does exist an atmosphere of mistrust or suspicions between several factions of the Forest companies and the Provincial Resource Managers. Rather than constructive feedback or positive dialogue between industry and the government agencies, a position of defense, on both sides, is often the case.

5) The Long Term Management Goals involving the land base, in particular the Forest sites, have to be identified developed, accepted and implemented into Regional Plans that consider all resource uses. Should we fail to develop and enact such plans we shall continue to avoid serious Forest Management options.

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WHAT ELSE COULD WE DO?

In Retrospect

1) 1969 - 1971 - The Forest Industry collectively should have organized a strong lobby group and presented their views to senior government officials regarding Forest Pest Management.

2) 1972 - 1975 - The Forest Industry could do very little but survive under the political climate. However, a comprehensive Master Plan should have been prepared during this period of political unrest.

3) 1975 - 1977 - Aggressive lobbying by senior Woodland Managers to senior Government Officials with public exposure to the condition of their Forests. Convince government in accepting a Master Plan.

4) 1978 - 1980 - The development of mutual confidence and trust between all resource managers within the private and public sector so that Long Term Management Goals are developed and put into action so as to prevent or minimize the appalling waste of our Forest crops.

I believe the Forest Industry (collectively) failed to express and show the public the real situation that was developing within our Forests. Further, I feel the government Resource Managers failed miserably to fully assess the severity of the developing situation and initiate positive action.

In Conclusion

It is my opinion that during the last 10 years the decision makers in both the private and public sector did not work together in the best interest of Forest Pest Management.

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In Conclusion - continued

Lastly, I know there are many dedicated, skilled professionals within the government and the Forest Industry. These individuals must work in concert to ensure the availability of timber in perpetuity for harvest, to support the many dependent mills, communities and to fulfill the wood product requirements of our nations.

Thank you.

DAVE MOLENKA
PLANNING FOREST MANAGER
CRESTBROOK FOREST INDUSTRIES
CRANBROOK

APPENDIX XX

Recent beetle outbreak in Takla/Sustut.

BEETLE ACTIVITY IN TAKLA/SUSTUT

- Primarily Mountain Pine Beetle (MPB)
- Long history of MPB in F.D. #5, which has been controlled through harvesting and direct control.
- Major area of concern is from Slamgeish Creek to confluence of Skeena/Sustut Rivers.
    - Infestation boundary size is 7 miles X 1 mile
    - 35% dead
    - population expanding
    - no action being taken as no access to area.
- Population expanding throughout F.D. #5.
- Control through harvesting/direct methods proving to be effective in southern portion of district.

R. D. Cogen
Ministry of Forest
Prince George

Dec. 15/86

MINISTRY OF FORESTS AND LANDS RESPONSE TO RECOMMENDATIONS CONTAINED IN THE "REPORT ON THE PRINCE GEORGE TIMBER SUPPLY AREA PUBLIC INQUIRY' DATED FEBRUARY 18, 1987.

COMMENTS ARE CROSS REFERENCED TO APPROPRIATE SECTIONS IN THE EXECUTIVE SUMMARY AND PAGES IN THE REPORT.

Executive Summary	Text	
2.1	p. 17	3.1.5 Prince George Timber Supply Area (TSA) Ministry agrees that for the term of Plan #1 the T.S.A. should be retained as one unit. Prior to January 1, 1991 detailed study will be undertaken to determine the potential and feasibility of balkanization.
2.2	p. 23	3.2.1.3 Format for Management of the Forest Action to await decisions arising from Issue #1 Forest Management Review (FMR).
2.2	p. 31	3.2.2.3 Tree Farm Licences Action to await decisions arising from Issue #2 FMR.
2.3	p. 36	3.3.4 Carrier Lumber Ltd. (1) Ministry confirms 20 year operating areas as defined in the Regional Managers letter dated December 9, 1985. (2) Ministry concurs (3) Ministry concurs (4) Ministry's position is that an inventory analysis is not appropriate for comparison with stand specific volumes. (5) Ministry concurs. (6) Award of F.L.A17843 was made based on a number of criteria including a significant bonus bid from Carrier Lumber. (7) Action to await decisions arising from Issue #2 FMR.
2.4	p. 39	3.4.3 Inventory Prince George T.S.A. Ministry will conduct a problem analysis of the timber inventory in Prince George East. Analysis will determine future action.

Executive Summary	Text	
2.5	p. 43	3.5.3 B.C. Rail, Dease Lake Extension Ministry supports the option that Industry address the challenge of providing access to the timber in the Takla/Sustat. If access is not restored by January 1, 1991 the land base will no longer contribute to the AAC resulting in a cut reduction of approximately 900 000 m^3.
2.6	p. 48	3.6.4 Small Business Enterprise Program (S.B.E.P.) (1) Ministry concurs (2) Ministry concurs (3) Ministry considers that S.B.E.P. licensees are being treated equitably within the scope of the program. (4) Gairns recommendations were reviewed and implemented as appropriate. Any further changes subject to FMR, more specifically Issues #32-33. (5) S.B.E.P. will be administered consistently throughout the T.S.A. (6) Ministry welcomes and encourages S.B.E.P. licensees to provide input into the program through liaison with District and Regional offices.
2.7	p. 52	3.7.3 T.S.A. Boundaries Ministry generally concurs with the notable exception of the Morkill and Goat River drainages. Removal of these areas from the McBride TSA would have a devastating effect on McBride licensees by removing the majority of the presently mature inventory in the T.S.A.
2.8	p. 55	3.8.3 T.S.A. Plan #1 (1) Ministry concurs. (2) Status should be retained for Plan #1 consistent with decision reached December 9, 1985. Review prior to January 1, 1991. (3) Decision subject to Regional Director direction consistent with T.S.A. Plan #2. (4) Subject to decision to flow from review of Issue #3 FMR.

Executive Summary	Text	
		(5) Ministry agrees with the added proviso that they should be required to locate their traditional cuts back into the Takla/Sustat for 1989-90 (inclusive) or in an alternate area of the T.S.A. containing equivalent values and costs. (6) Ministry is committed to "equitable" but not necessarily "equal" treatment. (7) Subject to Issue #2 FMR (8) Will be reviewed prior to Plan #2 January 1, 1991.
2.10	p. 60	3.10.3 Silviculture Funding (1) Allocation of funding is subject to Regional priorities (2) - (4) Ministry generally concurs subject to the Silviculture Program Review.
	p. 61	3.11.1.1.1 Ministerial Prerogative Ministry has no comment.
	p. 62	3.11.1.2.1 Carrier Lumber Licences (1) Ministry agrees effective January 1, 1989
	p. 63	3.11.1.3.1 TFL Applications (1) Subject to Issue #2 FMR (2) Ministry concurs
	p. 64	3.11.1.4.1 Prince George Wood Preservers (1) See 3.8.3 item (3) (2) - (5) Subject to Regional Directors approval of T.S.A. Plan #2.
	p. 65	3.11.1.5.1 Woodlands Lumber Ltd. Subject to review of Issue #3 FMR
	p. 69	3.11.2.3 T.S.A. Plan #1 A partial or total rollover of licensee S.S.A. positions is underway.
	p. 71	3.11.3.3 Fire and Beetle Detection Ministry concurs
	p. 72	3.11.5 General Conclusions No comment